

Presbyterian Homes Obligated Group

Combined Statements of Financial Position
November 30, 2021 and December 31, 2020

	<u>November 30, 2021</u>	<u>December 31, 2020</u>
Assets		
Cash and cash equivalents	\$ 7,039,595	\$ 12,110,330
Investments	107,406,783	83,331,986
Statutory liquid reserves	13,741,472	13,670,554
Accounts receivable, net	10,355,970	12,432,750
Assets whose use is limited	42,680,729	17,929,701
Assets held for sale	-	2,350,618
Property and equipment, net	375,648,873	381,271,664
Due from affiliates, net	84,766,167	86,723,738
Funds held in trust by others	21,090,230	20,257,550
Other assets	6,589,117	6,516,847
	<u>\$ 669,318,936</u>	<u>\$ 636,595,738</u>
Total assets		
Liabilities and Net Assets		
Accounts payable	\$ 5,216,720	\$ 12,508,430
Accrued expenses	16,791,363	16,499,374
Lines of credit	11,809,953	14,212,412
Resident deposits	2,802,719	6,313,720
Entrance fees payable	8,186,760	9,648,523
Other liabilities	3,090,098	5,066,234
Cares act funding liabilities	4,919,198	13,644,706
Long-term debt	265,601,601	248,331,284
Deferred revenues from entrance fees	114,352,321	105,563,008
	<u>432,770,733</u>	<u>431,787,691</u>
Total liabilities		
Net Assets		
Without donor restriction	207,546,334	177,052,198
With donor restrictions	29,001,869	27,755,849
	<u>236,548,203</u>	<u>204,808,047</u>
Total net assets		
Total liabilities and net assets	<u>\$ 669,318,936</u>	<u>\$ 636,595,738</u>

Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets

Period ended November 30, 2021 and year ended December 31, 2020

	November 30, 2021	December 31, 2020
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 160,345,374	\$ 184,334,409
Amortization of entrance fees	16,860,862	17,531,498
Total resident services	177,206,236	201,865,907
Contributions, gifts, grants and bequests	741,783	666,812
Other revenues	5,447,081	-
Government grants	7,515,900	-
Government stimulus	3,996,061	12,502,478
Net assets released from restrictions	358,994	900,638
Total operating revenues and other support	195,266,055	215,935,835
Expenses:		
Nursing services	50,444,870	59,895,338
Rehabilitation	12,009,111	14,157,544
Recreation and special services	3,438,503	4,013,902
Pharmacy	2,489,282	3,001,699
Social services	858,661	993,605
Physician services	682,063	727,903
Food Services	20,054,433	23,331,083
Building operations and maintenance	24,422,038	25,960,232
Housekeeping	3,471,846	3,885,355
Laundry and linen	1,065,557	1,251,903
General and administrative	28,662,891	30,504,544
Employee benefits	8,318,867	11,059,376
Interest	6,458,824	6,915,574
Depreciation	21,678,604	22,327,535
Amortization	259,051	282,601
Fundraising	543,114	501,396
Total expenses	184,857,715	208,809,590
Unusual non-recurring expenses - COVID-19	2,282,198	12,692,325
Operating gain (loss)	8,126,142	(5,566,080)
Other income (loss):		
Investment income, net of investment expense	1,404,856	2,188,723
Realized gain on investments	1,893,095	5,290,142
Unrealized gain on investments	11,563,677	2,828,905
Gain (loss) on sale of property and equipment	12,260,068	(214,042)
Loss on early extinguishment of debt	(1,423,468)	(75,093)
Total other income	25,698,228	10,018,635
Revenues in excess of expenses	33,824,370	4,452,555
Transfer to affiliated entity	(3,330,234)	(3,325,994)
Increase in net assets without donor restrictions	30,494,136	1,126,561

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Combined Statements of Operations and Changes in Net Assets

Period ended November 30, 2021 and year ended December 31, 2020

	<u>November 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ 506,500	\$ 728,843
Investment income, net of investment expense	45,607	119,000
Unrealized gain on investments	1,052,907	1,316,949
Net assets released from restrictions	<u>(358,994)</u>	<u>(900,638)</u>
Increase in net assets with donor restrictions	<u>1,246,020</u>	<u>1,264,154</u>
Change in net assets	31,740,156	2,390,715
Net Assets, Beginning	<u>204,808,047</u>	<u>202,417,332</u>
Net Assets, Ending	<u>\$ 236,548,203</u>	<u>\$ 204,808,047</u>

Presbyterian Homes Obligated Group

Combined Statements of Cash Flows

Period ended November 30, 2021 and year ended December 31, 2020

	November 30, 2021	December 31, 2020
Cash Flows From Operating Activities		
Increase in net assets	\$ 31,740,156	\$ 2,390,715
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	21,678,604	22,327,535
Provision for doubtful collections	1,417,099	1,679,115
Proceeds from non-refundable entrance fees and deposits	15,503,424	15,332,945
Amortization of entrance fees	(16,860,862)	(17,531,498)
Loss on early extinguishment of debt	1,423,468	75,093
Unrealized gain on investments	(12,616,584)	(4,145,854)
Realized gain on investments	(1,893,095)	(5,290,142)
(Gain) loss on sale of property and equipment	(12,260,068)	214,042
Contributions restricted for long-term purposes	(29,019)	(28,411)
Amortization of deferred financing costs	287,557	155,616
Amortization of bond premium	(404,114)	(26,762)
Changes in assets and liabilities:		
Accounts receivable	117,091	2,776,752
Entrance fees receivable	542,590	(481,703)
Other assets	(72,270)	100,383
Accounts payable	(7,291,710)	(3,710,207)
Accrued expenses	291,989	253,261
Other liabilities	(1,976,136)	1,868,922
Cares act funding liabilities	(8,725,508)	13,644,706
Net cash provided by operating activities	<u>10,872,613</u>	<u>29,604,508</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(16,217,297)	(40,200,360)
Net proceeds from sale of property and equipment	14,772,170	1,303,466
Purchases of investments	(54,521,423)	(30,160,727)
Proceeds from sale of investments	16,969,967	33,076,075
Change in due from affiliates	1,957,571	(5,734,633)
Net cash used in investing activities	<u>(37,039,012)</u>	<u>(41,716,179)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(3,344,275)	(4,437,514)
Proceeds from refundable entrance fees and deposits, resales	97,500	550,854
Proceeds from refundable entrance fees and deposits, new units	8,420,762	7,349,318
Principal payments on long-term debt	(13,032,677)	(13,133,752)
Proceeds from issuance of long-term debt	69,150,000	27,955,000
Proceeds from bond premium	7,151,245	-
Refunding, refinancing or payoff of long-term debt	(46,054,321)	(3,430,000)
Redemption of treasury bonds	(225,000)	-
Financing costs incurred	(1,025,842)	(210,056)
Repayments on lines of credit	(2,402,459)	(986,378)
Contributions restricted for long-term purposes	29,019	28,411
Net cash provided by financing activities	<u>18,763,952</u>	<u>13,685,883</u>
Net change in cash, cash equivalents and restricted cash	(7,402,447)	1,574,212
Cash, Cash Equivalents and Restricted Cash, Beginning	<u>32,494,465</u>	<u>30,920,253</u>
Cash, Cash Equivalents and Restricted Cash, Ending		
Unrestricted	\$ 7,039,595	\$ 12,110,330
Restricted	<u>18,052,423</u>	<u>20,384,135</u>
	<u>\$ 25,092,018</u>	<u>\$ 32,494,465</u>