

Presbyterian Homes Obligated Group

Statements of Financial Position

November 30, 2023 and December 31, 2022

	November 30, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$ 9,105,317	\$ 10,041,000
Investments	103,293,841	95,098,031
Statutory Liquid Reserve	13,988,979	10,905,687
Accounts receivable, net	14,725,575	11,220,074
Assets whose use is limited	47,888,448	43,561,377
Property and equipment, net	480,360,962	377,257,983
Due from affiliates, net	89,035,682	86,233,954
Funds held in trust by others	18,322,022	17,559,350
Other assets	18,851,889	6,005,752
Total assets	<u>\$ 795,572,714</u>	<u>\$ 657,883,208</u>
Liabilities and Net Assets		
Accounts Payable	\$ 11,045,662	\$ 8,084,607
Accrued expenses	20,983,186	15,061,226
Lines of credit	14,915,975	16,602,167
Resident deposits	4,295,949	2,227,667
Entrance fees payable	13,908,606	7,114,328
Other liabilities	2,836,261	5,177,226
Cares act funding liabilities	56,828	20,520
Long-term debt, senior living	351,326,642	259,343,071
Deferred revenue from entrance fees	150,166,048	123,277,629
Total liabilities	<u>569,535,157</u>	<u>436,908,441</u>
Net Assets		
Without donor restriction	198,684,605	195,704,334
With donor restriction	27,352,952	25,270,433
Total net assets (deficit)	<u>226,037,558</u>	<u>220,974,767</u>
Total liabilities, net assets and equity	<u>\$ 795,572,715</u>	<u>\$ 657,883,208</u>

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

Period ended November 30, 2023 and year ended December 31, 2022

	November 30, 2023	December 31, 2022
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 171,857,757	\$ 168,470,466
Amortization of entrance fees	18,052,019	16,756,172
Total resident services	189,909,776	185,226,639
Sales of other services and materials	65,327	-
Contributions, gifts, grants and bequests	551,885	495,274
Government grants	-	2,000,000
Government stimulus	184,711	1,465,364
FEMA funding	29,790	2,236,500
Net assets released from restrictions	493,824	709,098
Total operating revenues and other support	191,235,314	192,132,874
Expenses:		
Nursing services	54,253,592	53,900,760
Rehabilitation	7,923,810	8,934,430
Recreation and special services	3,374,235	3,505,546
Pharmacy	2,635,194	2,812,912
Social Services	778,601	837,211
Physician Services	617,612	705,113
Dining Services	21,575,630	20,993,437
Building operations and maintenance	25,948,020	26,255,439
Housekeeping	3,502,791	3,304,580
Laundry	1,168,090	1,009,706
Management and general	29,947,883	30,062,485
Employee Benefits	9,001,344	9,467,050
Interest	10,752,420	7,583,565
Depreciation	23,076,154	24,799,176
Amortization	567,876	282,601
Fundraising	412,354	620,799
Total expenses before non-recurring expenses	195,535,607	195,074,811
Non-recurring expenses, COVID-19	6,293	1,037,819
Operating income (loss) before gains and losses	(4,306,585)	(3,979,756)
Loss on sale and disposal of property	(860,625)	(30,440)
Loss on impairment of asset	(635,166)	-
Operating income (loss)	(5,802,377)	(4,010,196)
Other income (loss):		
Investment income, net of investment expense	3,453,369	2,647,569
Realized gain on investments	41,543	2,026,907
Unrealized gain (loss) on investments	6,053,434	(17,399,455)
Loss on early extinguishment of debt	(765,698)	-
Total other income (loss)	8,782,648	(12,724,979)
Revenues in excess of (less than) expenses	2,980,271	(16,735,175)
Transfer to affiliated entity	-	(725,000)
Grant revenue - capital	-	637,183
Increase (decrease) in net assets without donor restrictions	2,980,271	(16,822,992)

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Statements of Operations and Changes in Net Assets

Period ended November 30, 2023 and year ended December 31, 2022

	<u>November 30, 2023</u>	<u>December 31, 2022</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	1,497,242	1,216,357
Investment income, net of investment expense	51,102	82,871
Unrealized gain (loss) on investments	1,027,999	(4,474,792)
Net assets released from restrictions	<u>(493,824)</u>	<u>(709,098)</u>
Increase (decrease) in net assets with donor restrictions	<u>2,082,519</u>	<u>(3,884,662)</u>
Increase (decrease) in net assets	5,062,790	(20,707,654)
Net Assets (Deficit), Beginning	<u>220,974,767</u>	<u>241,682,421</u>
Net Assets (Deficit), Ending	<u><u>\$ 226,037,558</u></u>	<u><u>\$ 220,974,767</u></u>

Presbyterian Homes Obligated Group

Statements of Cash Flows

Period ended November 30, 2023 and year ended December 31, 2022

	November 30, 2023	December 31, 2022
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 5,062,790	\$ (20,707,654)
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	23,076,154	24,799,176
Provision for doubtful collections	1,924,662	1,069,215
Proceeds from non-refundable fees and deposits	23,874,424	26,384,571
Amortization of entrance fees	(18,052,019)	(16,756,172)
Loss on early extinguishment of debt	765,698	-
Unrealized (gain) loss on investments and change in fair value of funds held in trust by others	(7,081,433)	21,874,247
Realized gain on investments	(41,543)	(2,026,907)
Loss on sale of community and disposals of property and equipment	860,625	30,440
Contributions restricted for long-term purposes	(24,149)	(222,477)
Amortization of deferred financing costs	(147,546)	128,372
Amortization of bond premium	(367,360)	(407,025)
Amortization of bond discount	62,407	-
Loss on impairment of asset	635,166	-
Changes in assets and liabilities		
Accounts receivable	(5,782,594)	(377,236)
Entrance fee receivable	352,430	(1,053,219)
Other assets	483,300	(441,264)
Accounts payable	2,155,055	(2,288,776)
Accrued expenses	5,921,960	925,513
Other liabilities	(2,816,515)	(185,589)
CARES act funding liabilities	36,308	(4,451,820)
Net cash provided by operating activities	30,897,821	26,293,394
Cash Flows From Investing Activities		
Acquisition of property and equipment	(29,925,194)	(27,221,715)
Proceeds from sale of property and equipment	2,600,000	200,211
Amounts paid in acquisitions	(79,764,976)	-
Purchases of investments	(42,046,753)	(48,572,873)
Proceeds from sale of investments	32,800,883	49,407,224
Due from affiliates, net	(2,801,728)	1,811,067
Net cash used in investing activities	(119,137,768)	(24,376,086)
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(4,689,959)	(3,681,435)
Proceeds from refundable entrance fees and deposits, resales	315,655	239,325
Proceeds from refundable entrance fees and deposits, new units	1,670,240	798,668
Principal payments on redemptions of long-term debt	(17,554,103)	(13,041,996)
Proceeds from issuance of long-term debt	216,090,000	-
Early payoff of long-term debt	(100,387,570)	-
Financing costs paid	(6,477,955)	-
(Repayments) borrowings on lines of credit	(1,686,192)	1,008,724
Contributions restricted for long-term purposes	24,149	222,477
Net cash provided by (used in) financing activities	87,304,263	(14,454,238)
Net change in cash, cash equivalents and restricted cash	(935,684)	(12,536,928)
Cash, cash equivalents and restricted cash, beginning	51,967,810	64,504,738
Cash, cash equivalents and restricted cash, ending	\$ 51,032,127	\$ 51,967,810
Cash and cash equivalents	\$ 9,105,317	\$ 10,041,000
Restricted cash in investments	41,926,810	41,926,810
Total cash, cash equivalents and restricted cash	\$ 51,032,127	\$ 51,967,810