

## Presbyterian Homes Obligated Group

### Statements of Financial Position

November 30, 2024 and December 31, 2023

	<u>November 30, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 12,772,319	\$ 15,213,460
Investments	126,421,010	109,332,265
Statutory Liquid Reserve	14,099,794	13,650,901
Accounts receivable, net	17,110,875	15,233,968
Assets whose use is limited	30,914,687	44,514,015
Property and equipment, net	464,787,864	464,066,268
Due from affiliates, net	87,279,574	86,107,579
Funds held in trust by others	20,633,088	18,867,774
Other assets	33,353,303	34,631,708
	<u>807,372,515</u>	<u>801,617,938</u>
Total assets	<u>\$ 807,372,515</u>	<u>\$ 801,617,938</u>
<b>Liabilities and Net Assets</b>		
Accounts Payable	\$ 6,327,258	\$ 11,196,881
Accrued expenses	19,989,983	20,615,867
Lines of credit	6,003,779	16,750,000
Resident deposits	4,453,091	3,294,828
Entrance fees payable	12,586,800	13,980,916
Other liabilities	2,771,240	4,013,857
Long-term debt, senior living	341,712,510	350,941,000
Deferred revenue from entrance fees	165,895,621	150,814,426
	<u>559,740,281</u>	<u>571,607,775</u>
Total liabilities	<u>559,740,281</u>	<u>571,607,775</u>
<b>Net Assets</b>		
Without donor restriction	217,353,269	202,363,054
With donor restriction	30,278,965	27,647,109
Total net assets (deficit)	<u>247,632,234</u>	<u>230,010,163</u>
Total liabilities, net assets and equity	<u>\$ 807,372,515</u>	<u>\$ 801,617,938</u>

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## Statements of Operations and Changes in Net Assets

Period ended November 30, 2024 and year ended December 31, 2023

	<u>November 30, 2024</u>	<u>December 31, 2023</u>
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 205,312,062	\$ 190,058,377
Amortization of entrance fees	20,167,167	19,867,271
Total resident services	225,479,228	209,925,649
Sales of other services and materials	-	78,046
Contributions, gifts, grants and bequests	1,457,309	845,034
Government grants	-	811,173
Government stimulus	721,577	184,711
FEMA funding	-	29,790
Net assets released from restrictions	386,505	687,704
Total operating revenues and other support	228,044,619	212,562,106
Expenses:		
Nursing services	64,444,794	60,407,358
Rehabilitation	9,206,342	8,706,017
Recreation and special services	4,117,027	3,753,962
Pharmacy	2,416,382	2,873,042
Social Services	919,689	863,611
Physician Services	334,404	626,738
Dining Services	25,512,853	24,077,143
Building operations and maintenance	30,672,146	28,923,373
Housekeeping	4,065,694	3,875,125
Laundry	1,283,249	1,285,475
Management and general	31,435,157	33,549,244
Employee Benefits	12,374,598	9,867,450
Interest	15,170,554	12,178,581
Depreciation	24,458,508	25,063,463
Amortization	3,018,927	1,286,192
Fundraising	552,060	467,763
Total expenses before non-recurring expenses	229,982,383	217,804,537
Non-recurring expenses, COVID-19	-	8,393
Operating income (loss) before gains and losses	(1,937,764)	(5,250,824)
Gain (loss) on sale and disposal of property	446,645	(860,625)
Loss on impairment of asset	-	(635,166)
Operating income (loss)	(1,491,119)	(6,746,615)
Other income (loss):		
Investment income, net of investment expense	5,325,707	4,369,868
Realized (loss) gain on investments	(70,579)	181,709
Unrealized gain on investments	11,226,206	9,619,457
Loss on early extinguishment of debt	-	(765,698)
Total other income (loss)	16,481,334	13,405,335
Revenues in excess of expenses	14,990,215	6,658,720
Increase in net assets without donor restrictions	14,990,215	6,658,720

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Statements of Operations and Changes in Net Assets

Period ended November 30, 2024 and year ended December 31, 2023

	<u>November 30, 2024</u>	<u>December 31, 2023</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	793,896	1,301,384
Investment income, net of investment expense	52,653	68,271
Unrealized gain on investments	2,171,812	1,694,724
Net assets released from restrictions	<u>(386,505)</u>	<u>(687,704)</u>
Increase in net assets with donor restrictions	<u>2,631,856</u>	<u>2,376,676</u>
Increase in net assets	17,622,071	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>\$ 247,632,234</u></u>	<u><u>\$ 230,010,163</u></u>

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## Statements of Cash Flows

Period ended November 30, 2024 and year ended December 31, 2023

	<u>November 30, 2024</u>	<u>December 31, 2023</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 17,622,071	\$ 9,035,396
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	24,458,508	25,063,463
Provision for doubtful collections	1,293,961	2,427,462
Proceeds from non-refundable fees and deposits	34,257,939	25,653,384
Amortization of entrance fees	(20,167,167)	(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	(13,398,018)	(11,314,181)
Realized loss (gain) on investments	70,579	(181,709)
(Gain) loss on sale of community and disposals of property and equipment	(446,645)	860,625
Contributions restricted for long-term purposes	(73,970)	(55,525)
Amortization of deferred financing costs	216,207	146,699
Amortization of bond premium	(366,578)	(400,757)
Amortization of bond discount	158,817	83,210
Loss on impairment of asset	-	635,166
Changes in assets and liabilities		
Accounts receivable	(797,091)	(6,925,507)
Entrance fee receivable	(2,373,778)	484,151
Other assets	1,278,406	2,687,209
Accounts payable	(4,869,623)	3,112,274
Accrued expenses	(625,884)	5,554,641
Other liabilities	(1,242,617)	(1,659,439)
Net cash provided by operating activities	<u>34,995,116</u>	<u>36,104,989</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(30,333,459)	(34,407,539)
Proceeds from sale of property and equipment	5,600,000	2,600,000
Amounts paid in acquisitions	-	(79,764,976)
Purchases of investments	(18,362,105)	(38,482,287)
Proceeds from sale of investments	25,985,919	37,747,406
Due from affiliates, net	(1,171,995)	126,375
Net cash used in investing activities	<u>(18,281,639)</u>	<u>(112,181,021)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(5,661,517)	(4,949,893)
Proceeds from refundable entrance fees and deposits, resales	893,355	447,655
Proceeds from refundable entrance fees and deposits, new units	5,522,732	1,554,032
Principal payments on redemptions of long-term debt	(9,137,351)	(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	(99,585)	(2,742,963)
(Repayments) borrowings on lines of credit	(10,746,221)	147,833
Contributions restricted for long-term purposes	73,970	55,525
Net cash (used in) provided by financing activities	<u>(19,154,618)</u>	<u>88,258,231</u>
Net change in cash, cash equivalents and restricted cash	(2,441,140)	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>\$ 61,708,869</u>	<u>\$ 64,150,009</u>
Cash and cash equivalents	\$ 12,772,319	\$ 15,213,460
Restricted cash in investments	48,936,550	48,936,550
Total cash, cash equivalents and restricted cash	<u>\$ 61,708,869</u>	<u>\$ 64,150,009</u>