

Presbyterian Homes Obligated Group

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

	<u>October 31, 2021</u>	<u>December 31, 2020</u>
Assets		
Cash and cash equivalents	\$ 2,573,770	\$ 12,110,330
Investments	109,914,113	83,331,986
Statutory liquid reserves	13,841,479	13,670,554
Accounts receivable, net	9,786,722	12,432,750
Assets whose use is limited	42,679,774	17,929,701
Assets held for sale	-	2,350,618
Property and equipment, net	377,536,796	381,271,664
Due from affiliates, net	81,768,093	86,723,738
Funds held in trust by others	21,464,273	20,257,550
Other assets	7,294,159	6,516,847
Total assets	<u>\$ 666,859,179</u>	<u>\$ 636,595,738</u>
Liabilities and Net Assets		
Accounts payable	\$ 4,716,745	\$ 12,508,430
Accrued expenses	16,262,480	16,499,374
Lines of credit	7,000,000	14,212,412
Resident deposits	2,401,055	6,313,720
Entrance fees payable	8,189,624	9,648,523
Other liabilities	3,049,487	5,066,234
Cares act funding liabilities	5,135,723	13,644,706
Long-term debt	266,408,188	248,331,284
Deferred revenues from entrance fees	114,607,817	105,563,008
Total liabilities	<u>427,771,119</u>	<u>431,787,691</u>
Net Assets		
Without donor restriction	209,712,147	177,052,198
With donor restrictions	29,375,913	27,755,849
Total net assets	<u>239,088,060</u>	<u>204,808,047</u>
Total liabilities and net assets	<u>\$ 666,859,179</u>	<u>\$ 636,595,738</u>

Presbyterian Homes Obligated Group

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

	October 31, 2021	December 31, 2020
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 146,990,937	\$ 184,334,409
Amortization of entrance fees	15,083,693	17,531,498
Total resident services	162,074,630	201,865,907
Contributions, gifts, grants and bequests	531,289	666,812
Other revenues	4,834,927	-
Government grants	7,515,900	-
Government stimulus	2,805,746	12,502,478
Net assets released from restrictions	358,994	900,638
Total operating revenues and other support	178,121,486	215,935,835
Expenses:		
Nursing services	46,284,456	59,895,338
Rehabilitation	10,951,451	14,157,544
Recreation and special services	3,173,008	4,013,902
Pharmacy	2,307,820	3,001,699
Social services	788,464	993,605
Physician services	621,720	727,903
Food Services	18,330,455	23,331,083
Building operations and maintenance	22,386,953	25,960,232
Housekeeping	3,198,595	3,885,355
Laundry and linen	981,286	1,251,903
General and administrative	26,282,183	30,504,544
Employee benefits	8,202,370	11,059,376
Interest	5,898,591	6,915,574
Depreciation	19,714,888	22,327,535
Amortization	235,501	282,601
Fundraising	482,940	501,396
Total expenses	169,840,681	208,809,590
Unusual non-recurring expenses - COVID-19	2,245,673	12,692,325
Operating gain (loss)	6,035,132	(5,566,080)
Other income (loss):		
Investment income, net of investment expense	1,356,396	2,188,723
Realized gain on investments	1,917,392	5,290,142
Unrealized gain on investments	13,332,561	2,828,905
Gain (loss) on sale of property and equipment	14,772,170	(214,042)
Loss on early extinguishment of debt	(1,423,468)	(75,093)
Total other income	29,955,051	10,018,635
Revenues in excess of expenses	35,990,183	4,452,555
Transfer to affiliated entity	(3,330,234)	(3,325,994)
Increase in net assets without donor restrictions	32,659,949	1,126,561

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

	<u>October 31,</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	1,426,951	1,316,949
Net assets released from restrictions	<u>(358,994)</u>	<u>(900,638)</u>
 Increase in net assets with donor restrictions	 <u>1,620,064</u>	 <u>1,264,154</u>
 Change in net assets	 34,280,013	 2,390,715
Net Assets, Beginning	<u>204,808,047</u>	<u>202,417,332</u>
Net Assets, Ending	<u>\$ 239,088,060</u>	<u>\$ 204,808,047</u>

Presbyterian Homes Obligated Group

Combined Statements of Cash Flows

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

	October 31, 2021	December 31, 2020
Cash Flows From Operating Activities		
Increase in net assets	\$ 34,280,013	\$ 2,390,715
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	19,714,888	22,327,535
Provision for doubtful collections	1,297,090	1,679,115
Proceeds from non-refundable entrance fees and deposits	13,669,096	15,332,945
Amortization of entrance fees	(15,083,693)	(17,531,498)
Loss on early extinguishment of debt	1,423,468	75,093
Unrealized gain on investments	(14,759,512)	(4,145,854)
Realized gain on investments	(1,917,392)	(5,290,142)
(Gain) loss on sale of property and equipment	(14,772,170)	214,042
Contributions restricted for long-term purposes	(29,019)	(28,411)
Amortization of deferred financing costs	233,626	155,616
Amortization of bond premium	(369,958)	(26,762)
Changes in assets and liabilities:		
Accounts receivable	662,646	2,776,752
Entrance fees receivable	686,292	(481,703)
Other assets	(777,312)	100,383
Accounts payable	(7,791,685)	(3,710,207)
Accrued expenses	(236,894)	253,261
Other liabilities	(2,016,747)	1,868,922
Cares act funding liabilities	(8,508,983)	13,644,706
Net cash provided by operating activities	<u>5,703,753</u>	<u>29,604,508</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(13,629,402)	(40,200,360)
Net proceeds from sale of property and equipment	14,772,170	1,303,466
Purchases of investments	(54,149,807)	(30,160,727)
Proceeds from sale of investments	15,785,151	33,076,075
Change in due from affiliates	4,955,645	(5,734,633)
Net cash used in investing activities	<u>(32,266,243)</u>	<u>(41,716,179)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(3,055,340)	(4,437,514)
Proceeds from refundable entrance fees and deposits, resales	97,500	550,854
Proceeds from refundable entrance fees and deposits, new units	8,045,682	7,349,318
Principal payments on long-term debt	(12,206,313)	(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	(7,212,412)	(986,378)
Contributions restricted for long-term purposes	29,019	28,411
Net cash provided by financing activities	<u>14,694,218</u>	<u>13,685,883</u>
Net change in cash, cash equivalents and restricted cash	(11,868,272)	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	\$ 2,573,770	\$ 12,110,330
Restricted	<u>18,052,423</u>	<u>20,384,135</u>
	<u>\$ 20,626,193</u>	<u>\$ 32,494,465</u>