

## Presbyterian Homes Obligated Group

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

	<u>October 31, 2022</u>	<u>December 31, 2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,531,023	\$ 11,239,818
Investments	94,680,284	113,869,829
Statutory liquid reserves	10,471,254	10,471,255
Accounts receivable, net	11,564,537	10,858,834
Assets whose use is limited	45,510,751	53,388,482
Property and equipment, net	373,328,657	375,066,095
Due from affiliates, net	87,003,785	88,045,022
Funds held in trust by others	17,496,060	21,414,680
Other assets	6,151,221	5,564,488
	<u>\$ 647,737,572</u>	<u>\$ 689,918,503</u>
Total assets		
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 7,007,456	\$ 10,373,384
Accrued expenses	15,830,143	14,135,713
Lines of credit	8,999,502	15,593,443
Resident deposits	2,575,971	2,507,309
Entrance fees payable	7,322,994	8,147,685
Other liabilities	3,213,140	5,362,815
Cares act funding liabilities	20,520	4,472,340
Long-term debt	260,994,589	272,663,720
Deferred revenues from entrance fees	120,983,297	114,979,674
	<u>426,947,612</u>	<u>448,236,083</u>
Total liabilities		
<b>Net Assets</b>		
Without donor restriction	195,162,444	212,527,325
With donor restrictions	25,627,516	29,155,095
	<u>220,789,960</u>	<u>241,682,420</u>
Total net assets		
Total liabilities and net assets	<u>\$ 647,737,572</u>	<u>\$ 689,918,503</u>

## Presbyterian Homes Obligated Group

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

	October 31, 2022	December 31, 2021
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 140,272,763	\$ 174,338,100
Amortization of entrance fees	13,655,936	18,993,628
Total resident services	153,928,699	193,331,728
Contributions, gifts, grants and bequests	562,764	1,330,159
Other revenues	1,980,895	5,742,262
Government grants	2,000,000	7,515,900
Government stimulus	422,505	4,799,292
Net assets released from restrictions	360,947	992,913
Total operating revenues and other support	159,255,810	213,712,254
Expenses:		
Nursing services	44,607,193	55,328,956
Rehabilitation	7,412,557	13,025,251
Recreation and special services	2,872,023	3,805,588
Pharmacy	2,400,142	2,651,932
Social services	695,789	940,602
Physician services	585,124	742,482
Food Services	17,309,856	22,037,415
Building operations and maintenance	21,569,937	26,859,867
Housekeeping	2,752,886	3,786,145
Laundry and linen	816,416	1,169,109
General and administrative	24,566,430	31,446,154
Employee benefits	8,203,812	7,843,468
Interest	6,201,718	7,084,265
Depreciation	20,424,054	23,836,080
Amortization	235,501	282,601
Fundraising	384,913	700,094
Total expenses	161,038,351	201,540,009
Unusual non-recurring expenses - COVID-19	1,131,619	2,101,279
Operating (loss) income before gains	(2,914,160)	10,070,966
Gain on sale of community and disposals of property and equipment	200,211	14,615,126
Loss on impairment of asset	-	(2,350,230)
Operating (loss) income	(2,713,949)	22,335,862
Other income (loss):		
Investment income, net of investment expense	1,912,123	2,800,155
Realized gain on investments	1,045,064	3,716,532
Unrealized (loss) gain on investments	(17,071,946)	11,470,916
Loss on early extinguishment of debt	-	(1,518,104)
Total other income (loss)	(14,114,759)	16,469,499
Revenues (less than) in excess of expenses	(16,828,708)	38,805,361
Transfer to affiliated entity	(725,000)	(3,330,234)
Grant revenue - capital	188,827	-
(Decrease) increase in net assets without donor restrictions	(17,364,881)	35,475,127

## Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets

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

	October 31, 2022	December 31, 2021
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	\$ 747,223	\$ 666,920
Investment income, net of investment expense	61,817	61,061
Unrealized (loss) gain on investments	(3,975,672)	1,664,178
Net assets released from restrictions	(360,947)	(992,913)
	<u>(3,527,579)</u>	<u>1,399,246</u>
(Decrease) increase in net assets with donor restrictions		
	(3,527,579)	1,399,246
Change in net assets	(20,892,460)	36,874,373
<b>Net Assets, Beginning</b>	<u>241,682,420</u>	<u>204,808,047</u>
<b>Net Assets, Ending</b>	<u>\$ 220,789,960</u>	<u>\$ 241,682,420</u>

## Presbyterian Homes Obligated Group

Combined Statements of Cash Flows

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

	October 31, 2022	December 31, 2021
<b>Cash Flows From Operating Activities</b>		
(Decrease) increase in net assets	\$ (20,892,460)	\$ 36,874,373
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	20,424,054	23,836,080
Provision for doubtful collections	828,912	1,454,968
Proceeds from non-refundable entrance fees and deposits	21,018,933	20,470,367
Amortization of entrance fees	(13,655,936)	(18,993,628)
Loss on early extinguishment of debt	-	1,518,104
Unrealized loss (gain) on investments	21,047,618	(13,135,094)
Realized gain on investments	(1,045,064)	(3,716,532)
Gain on sale of community and disposals of property and equipment	(200,211)	(14,615,126)
Contributions restricted for long-term purposes	(194,823)	(74,871)
Amortization of deferred financing costs	109,781	131,225
Amortization of bond premium	(339,282)	(218,313)
Loss on impairment of asset	-	2,350,230
Changes in assets and liabilities:		
Accounts receivable	(735,622)	(883,002)
Entrance fees receivable	(798,994)	1,055,402
Other assets	(586,733)	667,344
Accounts payable	(3,365,928)	(2,134,577)
Accrued expenses	1,694,430	(2,240,320)
Other liabilities	(2,149,675)	578,378
Cares act funding liabilities	(4,451,820)	(9,172,366)
Net cash provided by operating activities	<u>16,707,181</u>	<u>23,752,642</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(18,686,616)	(25,278,369)
Net proceeds from sale of property and equipment	200,211	19,500,000
Purchases of investments	(35,014,529)	(49,398,706)
Proceeds from sale of investments	45,997,872	36,465,949
Change in due from affiliates	1,041,237	(1,321,284)
Net cash used in investing activities	<u>(6,461,825)</u>	<u>(20,032,410)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(3,019,203)	(3,654,981)
Proceeds from refundable entrance fees and deposits, resales	239,325	97,500
Proceeds from refundable entrance fees and deposits, new units	664,475	8,779,487
Principal payments on redemptions of long-term debt	(11,564,630)	(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)	-
Purchase (redemption) of treasury bonds	400,000	(225,000)
Financing costs incurred	-	(1,072,391)
(Repayments) borrowing on lines of credit	(6,593,941)	1,381,031
Contributions restricted for long-term purposes	194,823	74,871
Net cash (used in) provided by financing activities	<u>(19,954,151)</u>	<u>29,579,327</u>
Net change in cash, cash equivalents and restricted cash	(9,708,795)	33,299,559
<b>Cash, Cash Equivalents and Restricted Cash, Beginning</b>	<u>64,504,738</u>	<u>31,205,179</u>
<b>Cash, Cash Equivalents and Restricted Cash, Ending</b>		
Unrestricted	\$ 1,531,023	\$ 11,239,818
Restricted	53,264,920	53,264,920
	<u>\$ 54,795,943</u>	<u>\$ 64,504,738</u>