

Presbyterian Homes Obligated Group

Statements of Financial Position

October 31, 2024 and December 31, 2023

	<u>October 31, 2024</u>	<u>December 31, 2023</u>
Assets		
Cash and cash equivalents	\$ 9,977,934	\$ 15,213,460
Investments	117,733,636	109,332,265
Statutory Liquid Reserve	13,980,133	13,650,901
Accounts receivable, net	16,880,971	15,233,968
Assets whose use is limited	35,158,785	44,514,015
Assets held for sale	4,342,802	-
Property and equipment, net	463,953,466	464,066,268
Due from affiliates, net	85,896,865	86,107,579
Funds held in trust by others	20,061,226	18,867,774
Other assets	34,464,948	34,631,708
	<u>\$ 802,450,765</u>	<u>\$ 801,617,938</u>
Liabilities and Net Assets		
Accounts Payable	\$ 8,663,538	\$ 11,196,881
Accrued expenses	18,091,925	20,615,867
Lines of credit	6,236,081	16,750,000
Resident deposits	5,172,192	3,294,828
Entrance fees payable	12,806,749	13,980,916
Other liabilities	2,758,089	4,013,857
Long-term debt, senior living	342,061,376	350,941,000
Deferred revenue from entrance fees	162,333,679	150,814,426
	<u>558,123,628</u>	<u>571,607,775</u>
Net Assets		
Without donor restriction	214,793,090	202,363,054
With donor restriction	29,534,047	27,647,109
Total net assets (deficit)	<u>244,327,137</u>	<u>230,010,163</u>
Total liabilities, net assets and equity	<u>\$ 802,450,765</u>	<u>\$ 801,617,938</u>

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Statements of Operations and Changes in Net Assets

Period ended October 31, 2024 and year ended December 31, 2023

	October 31, 2024	December 31, 2023
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 187,477,823	\$ 190,058,377
Amortization of entrance fees	18,398,302	19,867,271
Total resident services	205,876,125	209,925,649
Sales of other services and materials	-	78,046
Contributions, gifts, grants and bequests	1,412,960	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	208,397,166	212,562,106
Expenses:		
Nursing services	58,896,572	60,407,358
Rehabilitation	8,414,550	8,706,017
Recreation and special services	3,749,754	3,753,962
Pharmacy	2,229,018	2,873,042
Social Services	840,357	863,611
Physician Services	307,914	626,738
Dining Services	23,286,956	24,077,143
Building operations and maintenance	27,916,855	28,923,373
Housekeeping	3,711,767	3,875,125
Laundry	1,165,018	1,285,475
Management and general	28,883,989	33,549,244
Employee Benefits	10,793,045	9,867,450
Interest	13,810,698	12,178,581
Depreciation	22,202,085	25,063,463
Amortization	2,744,479	1,286,192
Fundraising	501,409	467,763
Total expenses before non-recurring expenses	209,454,466	217,804,537
Non-recurring expenses, COVID-19	-	8,393
Operating income (loss) before gains and losses	(1,057,300)	(5,250,824)
Gain (loss) on sale and disposal of property	7,100	(860,625)
Loss on impairment of asset	-	(635,166)
Operating income (loss)	(1,050,200)	(6,746,615)
Other income (loss):		
Investment income, net of investment expense	5,131,860	4,369,868
Realized (loss) gain on investments	(19,353)	181,709
Unrealized gain on investments	8,367,727	9,619,457
Loss on early extinguishment of debt	-	(765,698)
Total other income (loss)	13,480,235	13,405,335
Revenues in excess of expenses	12,430,035	6,658,720
Increase in net assets without donor restrictions	12,430,035	6,658,720

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Statements of Operations and Changes in Net Assets

Period ended October 31, 2024 and year ended December 31, 2023

	<u>October 31, 2024</u>	<u>December 31, 2023</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	720,896	1,301,384
Investment income, net of investment expense	52,653	68,271
Unrealized gain on investments	1,499,896	1,694,724
Net assets released from restrictions	<u>(386,505)</u>	<u>(687,704)</u>
Increase in net assets with donor restrictions	<u>1,886,939</u>	<u>2,376,676</u>
Increase in net assets	14,316,974	9,035,396
Net Assets (Deficit), Beginning	<u>230,010,163</u>	<u>220,974,767</u>
Net Assets (Deficit), Ending	<u><u>\$ 244,327,137</u></u>	<u><u>\$ 230,010,163</u></u>

Presbyterian Homes Obligated Group

Statements of Cash Flows

Period ended October 31, 2024 and year ended December 31, 2023

	October 31, 2024	December 31, 2023
Cash Flows From Operating Activities		
Increase in net assets	\$ 14,316,974	\$ 9,035,396
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	22,202,085	25,063,463
Provision for doubtful collections	1,188,836	2,427,462
Proceeds from non-refundable fees and deposits	31,004,650	25,653,384
Amortization of entrance fees	(18,398,302)	(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	(9,867,623)	(11,314,181)
Realized loss (gain) on investments	19,353	(181,709)
(Gain) loss on sale of community and disposals of property and equipment	(7,100)	860,625
Contributions restricted for long-term purposes	(73,970)	(55,525)
Amortization of deferred financing costs	196,293	146,699
Amortization of bond premium	(333,253)	(400,757)
Amortization of bond discount	144,379	83,210
Loss on impairment of asset	-	635,166
Changes in assets and liabilities		
Accounts receivable	(1,093,455)	(6,925,507)
Entrance fee receivable	(1,742,384)	484,151
Other assets	166,761	2,687,209
Accounts payable	(2,533,343)	3,112,274
Accrued expenses	(2,523,942)	5,554,641
Other liabilities	(1,255,767)	(1,659,439)
Net cash provided by operating activities	<u>31,410,191</u>	<u>36,104,989</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(26,424,986)	(34,407,539)
Proceeds from sale of property and equipment	-	2,600,000
Amounts paid in acquisitions	-	(79,764,976)
Purchases of investments	(11,755,842)	(38,482,287)
Proceeds from sale of investments	21,035,289	37,747,406
Due from affiliates, net	<u>210,714</u>	<u>126,375</u>
Net cash used in investing activities	<u>(16,934,825)</u>	<u>(112,181,021)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(5,048,324)	(4,949,893)
Proceeds from refundable entrance fees and deposits, resales	893,355	447,655
Proceeds from refundable entrance fees and deposits, new units	3,771,071	1,554,032
Principal payments on redemptions of long-term debt	(8,787,459)	(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	(10,513,919)	147,833
Contributions restricted for long-term purposes	<u>73,970</u>	<u>55,525</u>
Net cash (used in) provided by financing activities	<u>(19,710,892)</u>	<u>88,258,231</u>
Net change in cash, cash equivalents and restricted cash	(5,235,526)	12,182,199
Cash, cash equivalents and restricted cash, beginning	<u>64,150,009</u>	<u>51,967,810</u>
Cash, cash equivalents and restricted cash, ending	<u>\$ 58,914,484</u>	<u>\$ 64,150,009</u>
Cash and cash equivalents	\$ 9,977,934	\$ 15,213,460
Restricted cash in investments	48,936,550	48,936,550
Total cash, cash equivalents and restricted cash	<u>\$ 58,914,484</u>	<u>\$ 64,150,009</u>