

## Presbyterian Homes Obligated Group

Combined Statements of Financial Position  
September 30, 2021 and December 31, 2020

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 6,412,318	\$ 12,110,330
Investments	88,069,990	83,331,986
Statutory liquid reserves	13,733,466	13,670,554
Accounts receivable, net	10,091,133	12,432,750
Assets whose use is limited	42,879,700	17,929,701
Assets held for sale	6,967,303	2,350,618
Property and equipment, net	378,128,033	381,271,664
Due from affiliates, net	81,296,448	86,723,738
Funds held in trust by others	20,868,154	20,257,550
Other assets	7,241,489	6,516,847
	<u>\$ 655,688,034</u>	<u>\$ 636,595,738</u>
Total assets		
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 5,092,804	\$ 12,508,430
Accrued expenses	15,683,903	16,499,374
Lines of credit	14,512,192	14,212,412
Resident deposits	2,518,474	6,313,720
Entrance fees payable	8,414,993	9,648,523
Other liabilities	3,215,850	5,066,234
Cares act funding liabilities	5,789,995	13,644,706
Long-term debt	267,395,002	248,331,284
Deferred revenues from entrance fees	116,531,237	105,563,008
	<u>439,154,450</u>	<u>431,787,691</u>
Total liabilities		
<b>Net Assets</b>		
Without donor restriction	187,753,791	177,052,198
With donor restrictions	28,779,793	27,755,849
	<u>216,533,584</u>	<u>204,808,047</u>
Total net assets		
Total liabilities and net assets	<u>\$ 655,688,034</u>	<u>\$ 636,595,738</u>

## Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets

Period ended September 30, 2021 and year ended December 31, 2020

	September 30, 2021	December 31, 2020
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 133,383,154	\$ 184,334,409
Amortization of entrance fees	13,432,875	17,531,498
Total resident services	146,816,029	201,865,907
Contributions, gifts, grants and bequests	434,929	666,812
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	157,931,598	215,935,835
Expenses:		
Nursing services	42,088,370	59,895,338
Rehabilitation	9,935,714	14,157,544
Recreation and special services	2,873,522	4,013,902
Pharmacy	2,033,374	3,001,699
Social services	718,752	993,605
Physician services	564,233	727,903
Food Services	16,720,299	23,331,083
Building operations and maintenance	20,317,546	25,960,232
Housekeeping	2,938,786	3,885,355
Laundry and linen	895,554	1,251,903
General and administrative	23,740,339	30,504,544
Employee benefits	7,418,917	11,059,376
Interest	5,322,150	6,915,574
Depreciation	17,761,426	22,327,535
Amortization	211,951	282,601
Fundraising	422,766	501,396
Total expenses	153,963,699	208,809,590
Unusual non-recurring expenses - COVID-19	2,203,489	12,692,325
Operating gain (loss)	1,764,410	(5,566,080)
Other income (loss):		
Investment income, net of investment expense	1,283,654	2,188,723
Realized gain on investments	1,915,688	5,290,142
Unrealized gain on investments	10,491,542	2,828,905
Loss on sale of property and equipment	-	(214,042)
Loss on early extinguishment of debt	(1,423,468)	(75,093)
Total other income	12,267,416	10,018,635
Revenues in excess of expenses	14,031,826	4,452,555
Transfer to affiliated entity	(3,330,234)	(3,325,994)
Increase in net assets without donor restrictions	10,701,592	1,126,561

## Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets

Period ended September 30, 2021 and year ended December 31, 2020

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	\$ 506,500	\$ 728,843
Investment income, net of investment expense	45,607	119,000
Unrealized gain on investments	830,831	1,316,949
Net assets released from restrictions	<u>(358,994)</u>	<u>(900,638)</u>
Increase in net assets with donor restrictions	<u>1,023,944</u>	<u>1,264,154</u>
Change in net assets	11,725,536	2,390,715
<b>Net Assets, Beginning</b>	<u>204,808,047</u>	<u>202,417,332</u>
<b>Net Assets, Ending</b>	<u>\$ 216,533,583</u>	<u>\$ 204,808,047</u>

## Presbyterian Homes Obligated Group

Combined Statements of Cash Flows

Period ended September 30, 2021 and year ended December 31, 2020

	September 30, 2021	December 31, 2020
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 11,725,536	\$ 2,390,715
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	17,761,426	22,327,535
Provision for doubtful collections	1,153,588	1,679,115
Proceeds from non-refundable entrance fees and deposits	14,351,892	15,332,945
Amortization of entrance fees	(13,432,875)	(17,531,498)
Loss on early extinguishment of debt	1,423,468	75,093
Unrealized gain on investments	(11,322,373)	(4,145,854)
Realized gain on investments	(1,915,688)	(5,290,142)
Loss on sale of property and equipment	-	214,042
Contributions restricted for long-term purposes	(29,019)	(28,411)
Amortization of deferred financing costs	220,504	155,616
Amortization of bond premium	(335,803)	(26,762)
Changes in assets and liabilities:		
Accounts receivable	480,602	2,776,752
Entrance fees receivable	707,427	(481,703)
Other assets	(724,642)	100,383
Accounts payable	(7,415,626)	(3,710,207)
Accrued expenses	(815,471)	253,261
Other liabilities	(1,850,384)	1,868,922
Cares act funding liabilities	(7,854,711)	13,644,706
Net cash provided by operating activities	<u>2,127,852</u>	<u>29,604,508</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(19,234,480)	(40,200,360)
Net proceeds from sale of property and equipment	-	1,303,466
Purchases of investments	(53,864,314)	(30,160,727)
Proceeds from sale of investments	34,409,144	33,076,075
Change in due from affiliates	5,427,290	(5,734,633)
Net cash used in investing activities	<u>(33,262,360)</u>	<u>(41,716,179)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(2,666,371)	(4,437,514)
Proceeds from refundable entrance fees and deposits, resales	97,500	550,854
Proceeds from refundable entrance fees and deposits, new units	7,589,307	7,349,318
Principal payments on long-term debt	(11,307,736)	(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	(958,640)	(210,056)
Repayments on lines of credit	299,780	(986,378)
Contributions restricted for long-term purposes	29,019	28,411
Net cash provided by financing activities	<u>23,104,783</u>	<u>13,685,883</u>
Net change in cash, cash equivalents and restricted cash	(8,029,725)	1,574,212
<b>Cash, Cash Equivalents and Restricted Cash, Beginning</b>	<u>32,494,465</u>	<u>30,920,253</u>
<b>Cash, Cash Equivalents and Restricted Cash, Ending</b>		
Unrestricted	\$ 6,412,318	\$ 12,110,330
Restricted	<u>18,052,423</u>	<u>20,384,135</u>
	<u>\$ 24,464,741</u>	<u>\$ 32,494,465</u>