

## Presbyterian Homes Obligated Group

Combined Statements of Financial Position  
September 30, 2022 and December 31, 2021

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,577,905	\$ 11,239,818
Investments	92,061,907	113,869,829
Statutory liquid reserves	10,471,254	10,471,255
Accounts receivable, net	11,469,659	10,858,834
Assets whose use is limited	46,858,817	53,388,482
Property and equipment, net	372,744,656	375,066,095
Due from affiliates, net	86,695,932	88,045,022
Funds held in trust by others	17,075,120	21,414,680
Other assets	6,795,592	5,564,488
	<u>6,795,592</u>	<u>5,564,488</u>
Total assets	<u>\$ 645,750,842</u>	<u>\$ 689,918,503</u>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 6,963,001	\$ 10,373,384
Accrued expenses	14,540,347	14,135,713
Lines of credit	12,007,813	15,593,443
Resident deposits	2,851,281	2,507,309
Entrance fees payable	7,382,268	8,147,685
Other liabilities	3,455,098	5,362,815
Cares act funding liabilities	20,520	4,472,340
Long-term debt	262,000,057	272,663,720
Deferred revenues from entrance fees	119,947,525	114,979,674
	<u>119,947,525</u>	<u>114,979,674</u>
Total liabilities	<u>429,167,910</u>	<u>448,236,083</u>
<b>Net Assets</b>		
Without donor restriction	191,376,356	212,527,325
With donor restrictions	25,206,576	29,155,095
	<u>25,206,576</u>	<u>29,155,095</u>
Total net assets	<u>216,582,932</u>	<u>241,682,420</u>
Total liabilities and net assets	<u>\$ 645,750,842</u>	<u>\$ 689,918,503</u>

## Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets

Period ended September 30, 2022 and year ended December 31, 2021

	September 30, 2022	December 31, 2021
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 125,670,808	\$ 174,338,100
Amortization of entrance fees	12,156,158	18,993,628
Total resident services	137,826,966	193,331,728
Contributions, gifts, grants and bequests	566,264	1,330,159
Other revenues	788,195	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	141,964,877	213,712,254
Expenses:		
Nursing services	40,112,191	55,328,956
Rehabilitation	6,695,348	13,025,251
Recreation and special services	2,590,742	3,805,588
Pharmacy	2,183,811	2,651,932
Social services	627,202	940,602
Physician services	524,916	742,482
Food Services	15,567,521	22,037,415
Building operations and maintenance	19,443,002	26,859,867
Housekeeping	2,475,694	3,786,145
Laundry and linen	732,608	1,169,109
General and administrative	21,994,564	31,446,154
Employee benefits	7,394,112	7,843,468
Interest	5,540,848	7,084,265
Depreciation	18,394,362	23,836,080
Amortization	211,951	282,601
Fundraising	329,281	700,094
Total expenses	144,818,153	201,540,009
Unusual non-recurring expenses - COVID-19	1,096,688	2,101,279
Operating (loss) income before gains	(3,949,964)	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	(3,749,753)	22,335,862
Other income (loss):		
Investment income, net of investment expense	1,727,730	2,800,155
Realized gain on investments	1,030,385	3,716,532
Unrealized (loss) gain on investments	(19,623,158)	11,470,916
Loss on early extinguishment of debt	-	(1,518,104)
Total other income (loss)	(16,865,043)	16,469,499
Revenues (less than) in excess of expenses	(20,614,796)	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	(21,150,969)	35,475,127

## Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets

Period ended September 30, 2022 and year ended December 31, 2021

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
<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	(4,396,612)	1,664,178
Net assets released from restrictions	<u>(360,947)</u>	<u>(992,913)</u>
(Decrease) increase in net assets with donor restrictions	<u>(3,948,519)</u>	<u>1,399,246</u>
Change in net assets	(25,099,488)	36,874,373
<b>Net Assets, Beginning</b>	<u>241,682,420</u>	<u>204,808,047</u>
<b>Net Assets, Ending</b>	<u>\$ 216,582,932</u>	<u>\$ 241,682,420</u>

## Presbyterian Homes Obligated Group

Combined Statements of Cash Flows

Period ended September 30, 2022 and year ended December 31, 2021

	September 30, 2022	December 31, 2021
<b>Cash Flows From Operating Activities</b>		
(Decrease) increase in net assets	\$ (25,099,488)	\$ 36,874,373
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	18,394,362	23,836,080
Provision for doubtful collections	750,692	1,454,968
Proceeds from non-refundable entrance fees and deposits	18,635,632	20,470,367
Amortization of entrance fees	(12,156,158)	(18,993,628)
Loss on early extinguishment of debt	-	1,518,104
Unrealized loss (gain) on investments	24,019,770	(13,135,094)
Realized gain on investments	(1,030,385)	(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	98,803	131,225
Amortization of bond premium	(305,411)	(218,313)
Loss on impairment of asset	-	2,350,230
Changes in assets and liabilities:		
Accounts receivable	(252,932)	(883,002)
Entrance fees receivable	(1,108,585)	1,055,402
Other assets	(1,231,104)	667,344
Accounts payable	(3,410,383)	(2,134,577)
Accrued expenses	404,634	(2,240,320)
Other liabilities	(1,907,717)	578,378
Cares act funding liabilities	(4,451,820)	(9,172,366)
Net cash provided by operating activities	<u>10,954,876</u>	<u>23,752,642</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(16,072,923)	(25,278,369)
Net proceeds from sale of property and equipment	200,211	19,500,000
Purchases of investments	(34,868,611)	(49,398,706)
Proceeds from sale of investments	44,556,374	36,465,949
Change in due from affiliates	1,349,090	(1,321,284)
Net cash used in investing activities	<u>(4,835,859)</u>	<u>(20,032,410)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(2,660,868)	(3,654,981)
Proceeds from refundable entrance fees and deposits, resales	63,325	97,500
Proceeds from refundable entrance fees and deposits, new units	664,475	8,779,487
Principal payments on redemptions of long-term debt	(10,582,055)	(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	(3,585,630)	1,381,031
Contributions restricted for long-term purposes	194,823	74,871
Net cash (used in) provided by financing activities	<u>(15,780,930)</u>	<u>29,579,327</u>
Net change in cash, cash equivalents and restricted cash	(9,661,913)	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	\$ 1,577,905	\$ 11,239,818
Restricted	<u>53,264,920</u>	<u>53,264,920</u>
	<u>\$ 54,842,825</u>	<u>\$ 64,504,738</u>