

## Presbyterian Homes Obligated Group

Statements of Financial Position

September 30, 2023 and December 31, 2022

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 902,089	\$ 10,041,000
Investments	98,857,859	95,098,031
Statutory Liquid Reserve	13,905,687	10,905,687
Accounts receivable, net	13,292,453	11,220,074
Assets whose use is limited	48,451,852	43,561,377
Assets held for sale	2,600,000	-
Property and equipment, net	478,761,063	377,257,983
Due from affiliates, net	87,797,986	86,233,954
Funds held in trust by others	17,625,692	17,559,350
Other assets	19,834,518	6,005,752
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Total assets	<u>\$ 782,029,199</u>	<u>\$ 657,883,208</u>
<b>Liabilities and Net Assets</b>		
Accounts Payable	\$ 14,379,875	\$ 8,084,607
Accrued expenses	14,764,242	15,061,226
Lines of credit	8,305,620	16,602,167
Resident deposits	5,583,034	2,227,667
Entrance fees payable	13,919,873	7,114,328
Other liabilities	3,188,751	5,177,226
Cares act funding liabilities	56,828	20,520
Long-term debt, senior living	352,101,829	259,343,071
Deferred revenue from entrance fees	147,826,120	123,277,629
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Total liabilities	560,126,172	436,908,441
<b>Net Assets</b>		
Without donor restriction	195,366,928	195,704,334
With donor restriction	26,536,100	25,270,433
Total net assets (deficit)	<hr/> <u>221,903,028</u>	<hr/> <u>220,974,767</u>
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Total liabilities, net assets and equity	<u>\$ 782,029,199</u>	<u>\$ 657,883,208</u>

**Presbyterian Homes Obligated Group**

Statements of Operations and Changes in Net Assets

Period ended September 30, 2023 and year ended December 31, 2022

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 135,712,469	\$ 168,470,466
Amortization of entrance fees	14,424,653	16,756,172
Total resident services	150,137,121	185,226,639
Sales of other services and materials	32,105	-
Contributions, gifts, grants and bequests	330,245	495,274
Government grants	-	2,000,000
Government stimulus	166,284	1,465,364
FEMA funding	29,790	2,236,500
Net assets released from restrictions	493,824	709,098
Total operating revenues and other support	151,189,370	192,132,874
Expenses:		
Nursing services	43,005,483	53,900,760
Rehabilitation	6,346,875	8,934,430
Recreation and special services	2,655,767	3,505,546
Pharmacy	2,146,702	2,812,912
Social Services	623,220	837,211
Physician Services	506,956	705,113
Dining Services	16,960,876	20,993,437
Building operations and maintenance	20,733,304	26,255,439
Housekeeping	2,804,587	3,304,580
Laundry	904,581	1,009,706
Management and general	23,369,728	30,062,485
Employee Benefits	7,287,920	9,467,050
Interest	7,961,823	7,583,565
Depreciation	18,622,620	24,799,176
Amortization	314,893	282,601
Fundraising	335,006	620,799
Total expenses before non-recurring expenses	154,580,340	195,074,811
Non-recurring expenses, COVID-19	5,593	1,037,819
Operating income (loss) before gains and losses	(3,396,562)	(3,979,756)
Gain (loss) on sale and disposal of property	(808,830)	(30,440)
Loss on impairment of asset	(635,166)	-
Operating income (loss)	(4,840,559)	(4,010,196)
Other income (loss):		
Investment income, net of investment expense	2,741,521	2,647,569
Realized gain (loss) on investments	28,233	2,026,907
Unrealized gain (loss) on investments	2,499,097	(17,399,455)
Loss on early extinguishment of debt	(765,698)	-
Total other income (loss)	4,503,152	(12,724,979)
Revenues in excess of (less than) expenses	(337,406)	(16,735,175)
Transfer to affiliated entity	-	(725,000)
Grant revenue - capital	-	637,183
Increase (decrease) in net assets without donor restrictions	(337,406)	(16,822,992)

**Presbyterian Homes Obligated Group**

Statements of Operations and Changes in Net Assets

Period ended September 30, 2023 and year ended December 31, 2022

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	1,497,242	1,216,357
Investment income, net of investment expense	51,102	82,871
Unrealized gain on investments	211,147	(4,474,792)
Net assets released from restrictions	<u>(493,824)</u>	<u>(709,098)</u>
Increase in net assets with donor restrictions	<u>1,265,667</u>	<u>(3,884,662)</u>
Increase (decrease) in net assets	928,260	(20,707,654)
<b>Net Assets (Deficit), Beginning</b>	<u>220,974,767</u>	<u>241,682,421</u>
<b>Net Assets (Deficit), Ending</b>	<u>\$ 221,903,028</u>	<u>\$ 220,974,767</u>

**Presbyterian Homes Obligated Group**

## Statements of Cash Flows

Period ended September 30, 2023 and year ended December 31, 2022

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$ 928,260	\$ (20,707,654)
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	18,622,620	24,799,176
Provision for doubtful collections	989,590	1,069,215
Proceeds from non-refundable fees and deposits	18,975,999	26,384,571
Amortization of entrance fees	(14,424,653)	(16,756,172)
Loss on early extinguishment of debt	765,698	-
Unrealized (gain) loss on investments and change in fair value of funds held in trust by others	(2,710,243)	21,874,247
Realized gain on investments	(28,233)	(2,026,907)
Loss on sale of community and disposals of property and equipment	808,830	30,440
Contributions restricted for long-term purposes	(24,149)	(222,477)
Amortization of deferred financing costs	(178,422)	128,372
Amortization of bond premium	(300,567)	(407,025)
Amortization of bond discount	20,802	-
Loss on impairment of asset	635,166	-
Changes in assets and liabilities		
Accounts receivable	(2,999,295)	(377,236)
Entrance fee receivable	(62,674)	(1,053,219)
Other assets	(499,330)	(441,264)
Accounts payable	5,489,268	(2,288,776)
Accrued expenses	(296,984)	925,513
Other liabilities	(2,464,025)	(185,589)
CARES act funding liabilities	36,308	(4,451,820)
Net cash provided by operating activities	<u>23,283,967</u>	<u>26,293,394</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(23,819,966)	(27,221,715)
Proceeds from sale of property and equipment	-	200,211
Amounts paid in acquisitions	(79,764,976)	-
Purchases of investments	(47,208,178)	(48,572,873)
Proceeds from sale of investments	38,230,009	49,407,224
Due from affiliates, net	(1,564,032)	1,811,067
Net cash used in investing activities	<u>(114,127,143)</u>	<u>(24,376,086)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(4,089,670)	(3,681,435)
Proceeds from refundable entrance fees and deposits, resales	315,655	239,325
Proceeds from refundable entrance fees and deposits, new units	1,299,432	798,668
Principal payments on redemptions of long-term debt	(16,793,229)	(13,041,996)
Proceeds from issuance of long-term debt	216,090,000	-
Early payoff of long-term debt	(100,387,570)	-
Financing costs paid	(6,457,955)	-
(Repayments) borrowings on lines of credit	(8,296,547)	1,008,724
Contributions restricted for long-term purposes	24,149	222,477
Net cash provided by (used in) financing activities	<u>81,704,264</u>	<u>(14,454,238)</u>
Net change in cash, cash equivalents and restricted cash	(9,138,911)	(12,536,928)
<b>Cash, cash equivalents and restricted cash, beginning</b>	<u>51,967,810</u>	<u>64,504,738</u>
<b>Cash, cash equivalents and restricted cash, ending</b>	<u>\$ 42,828,899</u>	<u>\$ 51,967,810</u>
Cash and cash equivalents	\$ 902,089	\$ 10,041,000
Restricted cash in investments	41,926,810	41,926,810
Total cash, cash equivalents and restricted cash	<u>\$ 42,828,899</u>	<u>\$ 51,967,810</u>