

## Presbyterian Homes Obligated Group

### Statements of Financial Position

September 30, 2024 and December 31, 2023

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 5,589,309	\$ 15,213,460
Investments	118,781,421	109,332,265
Statutory Liquid Reserve	14,044,157	13,650,901
Accounts receivable, net	15,482,630	15,233,968
Assets whose use is limited	35,420,126	44,514,015
Assets held for sale	4,337,846	-
Property and equipment, net	462,611,789	464,066,268
Due from affiliates, net	86,067,972	86,107,579
Funds held in trust by others	20,097,182	18,867,774
Other assets	35,152,905	34,631,708
	<u>\$ 797,585,336</u>	<u>\$ 801,617,938</u>
Total assets		
<b>Liabilities and Net Assets</b>		
Accounts Payable	\$ 7,230,657	\$ 11,196,881
Accrued expenses	18,885,973	20,615,867
Lines of credit	2,824,840	16,750,000
Resident deposits	5,445,821	3,294,828
Entrance fees payable	12,637,126	13,980,916
Other liabilities	2,990,504	4,013,857
Long-term debt, senior living	342,500,427	350,941,000
Deferred revenue from entrance fees	158,356,342	150,814,426
	<u>550,871,689</u>	<u>571,607,775</u>
Total liabilities		
<b>Net Assets</b>		
Without donor restriction	217,150,505	202,363,054
With donor restriction	29,563,142	27,647,109
Total net assets (deficit)	<u>246,713,647</u>	<u>230,010,163</u>
Total liabilities, net assets and equity	<u>\$ 797,585,336</u>	<u>\$ 801,617,938</u>

**Presbyterian Homes Obligated Group**

## Statements of Operations and Changes in Net Assets

Period ended September 30, 2024 and year ended December 31, 2023

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 167,829,060	\$ 190,058,377
Amortization of entrance fees	16,699,022	19,867,271
Total resident services	184,528,082	209,925,649
Sales of other services and materials	-	78,046
Contributions, gifts, grants and bequests	1,305,498	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	186,941,661	212,562,106
Expenses:		
Nursing services	52,901,649	60,407,358
Rehabilitation	7,509,962	8,706,017
Recreation and special services	3,348,429	3,753,962
Pharmacy	2,019,220	2,873,042
Social Services	751,718	863,611
Physician Services	274,285	626,738
Dining Services	20,850,284	24,077,143
Building operations and maintenance	25,170,869	28,923,373
Housekeeping	3,331,377	3,875,125
Laundry	1,041,570	1,285,475
Management and general	25,943,501	33,549,244
Employee Benefits	8,936,017	9,867,450
Interest	12,450,027	12,178,581
Depreciation	19,931,358	25,063,463
Amortization	2,470,031	1,286,192
Fundraising	450,886	467,763
Total expenses before non-recurring expenses	187,381,184	217,804,537
Non-recurring expenses, COVID-19	-	8,393
Operating income (loss) before gains and losses	(439,523)	(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)	(432,423)	(6,746,615)
Other income (loss):		
Investment income, net of investment expense	4,756,334	4,369,868
Realized (loss) gain on investments	(50,207)	181,709
Unrealized gain on investments	10,513,746	9,619,457
Loss on early extinguishment of debt	-	(765,698)
Total other income (loss)	15,219,873	13,405,335
Revenues in excess of expenses	14,787,451	6,658,720
Increase in net assets without donor restrictions	14,787,451	6,658,720

**Presbyterian Homes Obligated Group**

Statements of Operations and Changes in Net Assets

Period ended September 30, 2024 and year ended December 31, 2023

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	651,569	1,301,384
Investment income, net of investment expense	52,653	68,271
Unrealized gain on investments	1,598,315	1,694,724
Net assets released from restrictions	<u>(386,505)</u>	<u>(687,704)</u>
Increase in net assets with donor restrictions	<u>1,916,033</u>	<u>2,376,676</u>
Increase in net assets	16,703,483	9,035,396
<b>Net Assets (Deficit), Beginning</b>	<u>230,010,163</u>	<u>220,974,767</u>
<b>Net Assets (Deficit), Ending</b>	<u><u>\$ 246,713,647</u></u>	<u><u>\$ 230,010,163</u></u>

**Presbyterian Homes Obligated Group**

Statements of Cash Flows

Period ended September 30, 2024 and year ended December 31, 2023

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 16,703,483	\$ 9,035,396
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	19,931,358	25,063,463
Provision for doubtful collections	1,100,883	2,427,462
Proceeds from non-refundable fees and deposits	26,172,321	25,653,384
Amortization of entrance fees	(16,699,022)	(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	(12,112,062)	(11,314,181)
Realized loss (gain) on investments	50,207	(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	176,380	146,699
Amortization of bond premium	(299,927)	(400,757)
Amortization of bond discount	129,941	83,210
Loss on impairment of asset	-	635,166
Changes in assets and liabilities		
Accounts receivable	(639,718)	(6,925,507)
Entrance fee receivable	(709,828)	484,151
Other assets	(521,196)	2,687,209
Accounts payable	(3,966,224)	3,112,274
Accrued expenses	(1,729,894)	5,554,641
Other liabilities	(1,023,353)	(1,659,439)
Net cash provided by operating activities	<u>26,482,280</u>	<u>36,104,989</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(22,807,625)	(34,407,539)
Proceeds from sale of property and equipment	-	2,600,000
Amounts paid in acquisitions	-	(79,764,976)
Purchases of investments	(9,894,685)	(38,482,287)
Proceeds from sale of investments	19,978,610	37,747,406
Due from affiliates, net	39,607	126,375
Net cash used in investing activities	<u>(12,684,093)</u>	<u>(112,181,021)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(4,402,407)	(4,949,893)
Proceeds from refundable entrance fees and deposits, resales	734,382	447,655
Proceeds from refundable entrance fees and deposits, new units	2,543,845	1,554,032
Principal payments on redemptions of long-term debt	(8,347,383)	(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	(13,925,160)	147,833
Contributions restricted for long-term purposes	73,970	55,525
Net cash (used in) provided by financing activities	<u>(23,422,338)</u>	<u>88,258,231</u>
Net change in cash, cash equivalents and restricted cash	(9,624,152)	12,182,199
<b>Cash, cash equivalents and restricted cash, beginning</b>	<u>64,150,009</u>	<u>51,967,810</u>
<b>Cash, cash equivalents and restricted cash, ending</b>	<u>\$ 54,525,858</u>	<u>\$ 64,150,009</u>
Cash and cash equivalents	\$ 5,589,309	\$ 15,213,460
Restricted cash in investments	48,936,549	48,936,550
Total cash, cash equivalents and restricted cash	<u>\$ 54,525,858</u>	<u>\$ 64,150,009</u>