

Presbyterian Homes Obligated Group

Statements of Financial Position

August 31, 2024 and December 31, 2023

	<u>August 31, 2024</u>	<u>December 31, 2023</u>
Assets		
Cash and cash equivalents	\$ 4,490,313	\$ 15,213,460
Investments	116,039,607	109,332,265
Statutory Liquid Reserve	13,983,567	13,650,901
Accounts receivable, net	15,509,731	15,233,968
Assets whose use is limited	35,251,443	44,514,015
Assets held for sale	4,337,846	-
Property and equipment, net	462,231,663	464,066,268
Due from affiliates, net	86,064,927	86,107,579
Funds held in trust by others	19,903,432	18,867,774
Other assets	35,615,454	34,631,708
	<u>\$ 793,427,983</u>	<u>\$ 801,617,938</u>
Total assets		
Liabilities and Net Assets		
Accounts Payable	\$ 6,978,393	\$ 11,196,881
Accrued expenses	16,480,047	20,615,867
Lines of credit	1,298,925	16,750,000
Resident deposits	4,915,089	3,294,828
Entrance fees payable	12,650,581	13,980,916
Other liabilities	3,016,136	4,013,857
Long-term debt, senior living	345,320,040	350,941,000
Deferred revenue from entrance fees	157,725,935	150,814,426
	<u>548,385,145</u>	<u>571,607,775</u>
Total liabilities		
Net Assets		
Without donor restriction	215,737,807	202,363,054
With donor restriction	29,305,031	27,647,109
Total net assets (deficit)	<u>245,042,838</u>	<u>230,010,163</u>
Total liabilities, net assets and equity	<u>\$ 793,427,983</u>	<u>\$ 801,617,938</u>

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

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

	<u>August 31, 2024</u>	<u>December 31, 2023</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 149,308,788	\$ 190,058,377
Amortization of entrance fees	14,562,760	19,867,271
Total resident services	163,871,547	209,925,649
Sales of other services and materials	-	78,046
Contributions, gifts, grants and bequests	1,273,062	845,034
Government grants	-	811,173
Government stimulus	721,577	184,711
FEMA funding	-	29,790
Net assets released from restrictions	335,196	687,704
Total operating revenues and other support	166,201,382	212,562,106
Expenses:		
Nursing services	46,880,854	60,407,358
Rehabilitation	6,694,672	8,706,017
Recreation and special services	2,977,127	3,753,962
Pharmacy	1,493,208	2,873,042
Social Services	666,224	863,611
Physician Services	241,315	626,738
Dining Services	18,534,691	24,077,143
Building operations and maintenance	22,443,031	28,923,373
Housekeeping	2,958,949	3,875,125
Laundry	927,708	1,285,475
Management and general	23,097,953	33,549,244
Employee Benefits	7,607,559	9,867,450
Interest	11,139,652	12,178,581
Depreciation	17,676,678	25,063,463
Amortization	2,195,583	1,286,192
Fundraising	404,184	467,763
Total expenses before non-recurring expenses	165,939,389	217,804,537
Non-recurring expenses, COVID-19	-	8,393
Operating income (loss) before gains and losses	261,994	(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)	269,094	(6,746,615)
Other income (loss):		
Investment income, net of investment expense	4,301,951	4,369,868
Realized (loss) gain on investments	(50,207)	181,709
Unrealized gain on investments	8,853,915	9,619,457
Loss on early extinguishment of debt	-	(765,698)
Total other income (loss)	13,105,659	13,405,335
Revenues in excess of expenses	13,374,753	6,658,720
Increase in net assets without donor restrictions	13,374,753	6,658,720

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Statements of Operations and Changes in Net Assets

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

	<u>August 31, 2024</u>	<u>December 31, 2023</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	580,640	1,301,384
Investment income, net of investment expense	63,935	68,271
Unrealized gain on investments	1,348,542	1,694,724
Net assets released from restrictions	<u>(335,196)</u>	<u>(687,704)</u>
Increase in net assets with donor restrictions	<u>1,657,922</u>	<u>2,376,676</u>
Increase in net assets	15,032,675	9,035,396
Net Assets (Deficit), Beginning	<u>230,010,163</u>	<u>220,974,767</u>
Net Assets (Deficit), Ending	<u><u>\$ 245,042,838</u></u>	<u><u>\$ 230,010,163</u></u>

Presbyterian Homes Obligated Group

Statements of Cash Flows

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

	August 31, 2024	December 31, 2023
Cash Flows From Operating Activities		
Increase in net assets	\$ 15,032,675	\$ 9,035,396
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	17,676,678	25,063,463
Provision for doubtful collections	1,036,021	2,427,462
Proceeds from non-refundable fees and deposits	22,916,599	25,653,384
Amortization of entrance fees	(14,562,760)	(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	(10,202,457)	(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	(42,225)	(55,525)
Amortization of deferred financing costs	156,467	146,699
Amortization of bond premium	(266,602)	(400,757)
Amortization of bond discount	115,503	83,210
Loss on impairment of asset	-	635,166
Changes in assets and liabilities		
Accounts receivable	(194,674)	(6,925,507)
Entrance fee receivable	(1,117,110)	484,151
Other assets	(983,746)	2,687,209
Accounts payable	(4,218,488)	3,112,274
Accrued expenses	(4,135,820)	5,554,641
Other liabilities	(997,721)	(1,659,439)
Net cash provided by operating activities	<u>20,255,448</u>	<u>36,104,989</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(20,172,819)	(34,407,539)
Proceeds from sale of property and equipment	-	2,600,000
Amounts paid in acquisitions	-	(79,764,976)
Purchases of investments	(7,931,791)	(38,482,287)
Proceeds from sale of investments	19,270,947	37,747,406
Due from affiliates, net	42,652	126,375
Net cash used in investing activities	<u>(8,791,011)</u>	<u>(112,181,021)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(3,967,372)	(4,949,893)
Proceeds from refundable entrance fees and deposits, resales	312,802	447,655
Proceeds from refundable entrance fees and deposits, new units	2,502,165	1,554,032
Principal payments on redemptions of long-term debt	(5,526,744)	(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	(15,451,075)	147,833
Contributions restricted for long-term purposes	42,225	55,525
Net cash (used in) provided by financing activities	<u>(22,187,584)</u>	<u>88,258,231</u>
Net change in cash, cash equivalents and restricted cash	(10,723,146)	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>\$ 53,426,863</u>	<u>\$ 64,150,009</u>
Cash and cash equivalents	\$ 4,490,313	\$ 15,213,460
Restricted cash in investments	48,936,550	48,936,550
Total cash, cash equivalents and restricted cash	<u>\$ 53,426,863</u>	<u>\$ 64,150,009</u>