

Presbyterian Homes Obligated Group

Statements of Financial Position

July 31, 2024 and December 31, 2023

	<u>July 31, 2024</u>	<u>December 31, 2023</u>
Assets		
Cash and cash equivalents	\$ 8,857,235	\$ 15,213,460
Investments	113,258,656	109,332,265
Statutory Liquid Reserve	13,923,467	13,650,901
Accounts receivable, net	15,584,393	15,233,968
Assets whose use is limited	36,550,819	44,514,015
Assets held for sale	4,322,651	-
Property and equipment, net	462,790,004	464,066,268
Due from affiliates, net	85,561,994	86,107,579
Funds held in trust by others	19,705,578	18,867,774
Other assets	33,118,311	34,631,708
	<u>\$ 793,673,108</u>	<u>\$ 801,617,938</u>
Total assets		
Liabilities and Net Assets		
Accounts Payable	\$ 9,214,862	\$ 11,196,881
Accrued expenses	17,203,977	20,615,867
Lines of credit	2,298,915	16,750,000
Resident deposits	4,872,456	3,294,828
Entrance fees payable	12,781,504	13,980,916
Other liabilities	3,740,579	4,013,857
Long-term debt, senior living	345,667,246	350,941,000
Deferred revenue from entrance fees	155,015,275	150,814,426
	<u>550,794,815</u>	<u>571,607,775</u>
Total liabilities		
Net Assets		
Without donor restriction	213,535,794	202,363,054
With donor restriction	29,342,499	27,647,109
Total net assets (deficit)	<u>242,878,293</u>	<u>230,010,163</u>
Total liabilities, net assets and equity	<u>\$ 793,673,108</u>	<u>\$ 801,617,938</u>

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 130,231,966	\$ 190,058,377
Amortization of entrance fees	12,941,910	19,867,271
Total resident services	143,173,876	209,925,649
Sales of other services and materials	-	78,046
Contributions, gifts, grants and bequests	927,662	845,034
Government grants	-	811,173
Government stimulus	721,577	184,711
FEMA funding	-	29,790
Net assets released from restrictions	329,433	687,704
Total operating revenues and other support	145,152,548	212,562,106
Expenses:		
Nursing services	40,666,355	60,407,358
Rehabilitation	5,848,352	8,706,017
Recreation and special services	2,612,804	3,753,962
Pharmacy	1,592,881	2,873,042
Social Services	580,394	863,611
Physician Services	209,795	626,738
Dining Services	16,079,606	24,077,143
Building operations and maintenance	19,620,755	28,923,373
Housekeeping	2,582,082	3,875,125
Laundry	817,578	1,285,475
Management and general	20,305,363	33,549,244
Employee Benefits	6,660,356	9,867,450
Interest	9,756,755	12,178,581
Depreciation	15,432,956	25,063,463
Amortization	1,921,135	1,286,192
Fundraising	353,661	467,763
Total expenses before non-recurring expenses	145,040,829	217,804,537
Non-recurring expenses, COVID-19	-	8,393
Operating income (loss) before gains and losses	111,719	(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)	118,819	(6,746,615)
Other income (loss):		
Investment income, net of investment expense	4,047,049	4,369,868
Realized (loss) gain on investments	(50,207)	181,709
Unrealized gain on investments	7,057,078	9,619,457
Loss on early extinguishment of debt	-	(765,698)
Total other income (loss)	11,053,920	13,405,335
Revenues in excess of expenses	11,172,739	6,658,720
Increase in net assets without donor restrictions	11,172,739	6,658,720

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Statements of Operations and Changes in Net Assets

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	916,486	1,301,384
Investment income, net of investment expense	17,467	68,271
Unrealized gain on investments	1,090,870	1,694,724
Net assets released from restrictions	<u>(329,433)</u>	<u>(687,704)</u>
Increase in net assets with donor restrictions	<u>1,695,390</u>	<u>2,376,676</u>
Increase in net assets	12,868,130	9,035,396
Net Assets (Deficit), Beginning	<u>230,010,163</u>	<u>220,974,767</u>
Net Assets (Deficit), Ending	<u><u>\$ 242,878,293</u></u>	<u><u>\$ 230,010,163</u></u>

Presbyterian Homes Obligated Group

Statements of Cash Flows

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

	<u>July 31, 2024</u>	<u>December 31, 2023</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 12,868,130	\$ 9,035,396
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	15,432,956	25,063,463
Provision for doubtful collections	938,363	2,427,462
Proceeds from non-refundable fees and deposits	18,025,078	25,653,384
Amortization of entrance fees	(12,941,910)	(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	(8,147,948)	(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	136,554	146,699
Amortization of bond premium	(233,277)	(400,757)
Amortization of bond discount	101,065	83,210
Loss on impairment of asset	-	635,166
Changes in assets and liabilities		
Accounts receivable	(627,255)	(6,925,507)
Entrance fee receivable	(661,532)	484,151
Other assets	1,513,397	2,687,209
Accounts payable	(1,982,019)	3,112,274
Accrued expenses	(3,411,890)	5,554,641
Other liabilities	(273,278)	(1,659,439)
Net cash provided by operating activities	<u>20,737,317</u>	<u>36,104,989</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(18,472,243)	(34,407,539)
Proceeds from sale of property and equipment	-	2,600,000
Amounts paid in acquisitions	-	(79,764,976)
Purchases of investments	(6,358,772)	(38,482,287)
Proceeds from sale of investments	17,382,948	37,747,406
Due from affiliates, net	545,585	126,375
Net cash used in investing activities	<u>(6,902,481)</u>	<u>(112,181,021)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(3,100,944)	(4,949,893)
Proceeds from refundable entrance fees and deposits, resales	312,802	447,655
Proceeds from refundable entrance fees and deposits, new units	2,284,040	1,554,032
Principal payments on redemptions of long-term debt	(5,178,513)	(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	(14,451,085)	147,833
Contributions restricted for long-term purposes	42,225	55,525
Net cash (used in) provided by financing activities	<u>(20,191,060)</u>	<u>88,258,231</u>
Net change in cash, cash equivalents and restricted cash	(6,356,224)	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>\$ 57,793,785</u>	<u>\$ 64,150,009</u>
Cash and cash equivalents	\$ 8,857,235	\$ 15,213,460
Restricted cash in investments	48,936,550	48,936,550
Total cash, cash equivalents and restricted cash	<u>\$ 57,793,785</u>	<u>\$ 64,150,009</u>