

Presbyterian Homes Obligated Group

Statements of Financial Position

June 30, 2024 and December 31, 2023

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Assets		
Cash and cash equivalents	\$ 14,924,237	\$ 15,213,460
Investments	110,915,066	109,332,265
Statutory Liquid Reserve	13,854,145	13,650,901
Accounts receivable, net	16,375,001	15,233,968
Assets whose use is limited	36,411,247	44,514,015
Assets held for sale	4,322,651	-
Property and equipment, net	462,787,628	464,066,268
Due from affiliates, net	85,728,877	86,107,579
Funds held in trust by others	19,401,745	18,867,774
Other assets	32,634,373	34,631,708
	<u>\$ 797,354,971</u>	<u>\$ 801,617,938</u>
Total assets		
Liabilities and Net Assets		
Accounts Payable	\$ 6,625,638	\$ 11,196,881
Accrued expenses	22,500,853	20,615,867
Lines of credit	6,798,915	16,750,000
Resident deposits	3,792,283	3,294,828
Entrance fees payable	12,781,504	13,980,916
Other liabilities	4,349,541	4,013,857
Long-term debt, senior living	346,139,030	350,941,000
Deferred revenue from entrance fees	154,937,638	150,814,426
	<u>557,925,401</u>	<u>571,607,775</u>
Total liabilities		
Net Assets		
Without donor restriction	210,533,020	202,363,054
With donor restriction	28,896,551	27,647,109
Total net assets (deficit)	<u>239,429,570</u>	<u>230,010,163</u>
Total liabilities, net assets and equity	<u>\$ 797,354,971</u>	<u>\$ 801,617,938</u>

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

Period ended June 30, 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	\$ 111,230,453	\$ 190,058,377
Amortization of entrance fees	11,250,133	19,867,271
Total resident services	<u>122,480,586</u>	<u>209,925,649</u>
Sales of other services and materials	-	78,046
Contributions, gifts, grants and bequests	880,891	845,034
Government grants	-	811,173
Government stimulus	652,042	184,711
FEMA funding	-	29,790
Net assets released from restrictions	<u>329,433</u>	<u>687,704</u>
Total operating revenues and other support	<u>124,342,952</u>	<u>212,562,106</u>
Expenses:		
Nursing services	35,765,430	60,407,358
Rehabilitation	4,999,591	8,706,017
Recreation and special services	2,212,255	3,753,962
Pharmacy	1,328,853	2,873,042
Social Services	494,440	863,611
Physician Services	179,575	626,738
Dining Services	13,666,858	24,077,143
Building operations and maintenance	16,841,641	28,923,373
Housekeeping	2,198,334	3,875,125
Laundry	703,216	1,285,475
Management and general	17,294,577	33,549,244
Employee Benefits	5,708,722	9,867,450
Interest	8,366,660	12,178,581
Depreciation	13,232,324	25,063,463
Amortization	1,646,687	1,286,192
Fundraising	<u>303,138</u>	<u>467,763</u>
Total expenses before non-recurring expenses	<u>124,942,302</u>	<u>217,804,537</u>
Non-recurring expenses, COVID-19	<u>-</u>	<u>8,393</u>
Operating income (loss) before gains and losses	(599,350)	(5,250,824)
Gain (loss) on sale and disposal of property	7,100	(860,625)
Loss on impairment of asset	<u>-</u>	<u>(635,166)</u>
Operating income (loss)	<u>(592,250)</u>	<u>(6,746,615)</u>
Other income (loss):		
Investment income, net of investment expense	3,600,478	4,369,868
Realized (loss) gain on investments	(50,183)	181,709
Unrealized gain on investments	5,211,920	9,619,457
Loss on early extinguishment of debt	<u>-</u>	<u>(765,698)</u>
Total other income (loss)	<u>8,762,215</u>	<u>13,405,335</u>
Revenues in excess of expenses	<u>8,169,965</u>	<u>6,658,720</u>
Increase in net assets without donor restrictions	<u>8,169,965</u>	<u>6,658,720</u>

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

Period ended June 30, 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	838,864	1,301,384
Investment income, net of investment expense	17,467	68,271
Unrealized gain on investments	722,544	1,694,724
Net assets released from restrictions	<u>(329,433)</u>	<u>(687,704)</u>
Increase in net assets with donor restrictions	<u>1,249,442</u>	<u>2,376,676</u>
Increase in net assets	9,419,407	9,035,396
Net Assets (Deficit), Beginning	<u>230,010,163</u>	<u>220,974,767</u>
Net Assets (Deficit), Ending	<u><u>\$ 239,429,570</u></u>	<u><u>\$ 230,010,163</u></u>

Presbyterian Homes Obligated Group

Statements of Cash Flows

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 9,419,407	\$ 9,035,396
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	13,232,324	25,063,463
Provision for doubtful collections	844,474	2,427,462
Proceeds from non-refundable fees and deposits	15,264,921	25,653,384
Amortization of entrance fees	(11,250,133)	(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	(5,934,464)	(11,314,181)
Realized (loss) gain on investments	50,183	(181,709)
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	116,641	146,699
Amortization of bond premium	(199,952)	(400,757)
Amortization of bond discount	86,628	83,210
Loss on impairment of asset	-	635,166
Changes in assets and liabilities		
Accounts receivable	(1,234,997)	(6,925,507)
Entrance fee receivable	(750,509)	484,151
Other assets	1,997,336	2,687,209
Accounts payable	(4,571,243)	3,112,274
Accrued expenses	1,884,986	5,554,641
Other liabilities	335,684	(1,659,439)
Net cash provided by operating activities	<u>19,241,960</u>	<u>36,104,989</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(16,269,236)	(34,407,539)
Proceeds from sale of property and equipment	-	2,600,000
Amounts paid in acquisitions	-	(79,764,976)
Purchases of investments	(5,612,597)	(38,482,287)
Proceeds from sale of investments	17,279,630	37,747,406
Due from affiliates, net	378,702	126,375
Net cash used in investing activities	<u>(4,223,501)</u>	<u>(112,181,021)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(2,916,577)	(4,949,893)
Proceeds from refundable entrance fees and deposits, resales	312,802	447,655
Proceeds from refundable entrance fees and deposits, new units	2,010,241	1,554,032
Principal payments on redemptions of long-term debt	(4,705,703)	(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	(9,951,085)	147,833
Contributions restricted for long-term purposes	42,225	55,525
Net cash (used in) provided by financing activities	<u>(15,307,681)</u>	<u>88,258,231</u>
Net change in cash, cash equivalents and restricted cash	(289,222)	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>\$ 63,860,787</u>	<u>\$ 64,150,009</u>
Cash and cash equivalents	\$ 14,924,237	\$ 15,213,460
Restricted cash in investments	48,936,550	48,936,550
Total cash, cash equivalents and restricted cash	<u>\$ 63,860,787</u>	<u>\$ 64,150,009</u>