

Presbyterian Homes Obligated Group

Statements of Financial Position

May 31, 2024 and December 31, 2023

	<u>May 31, 2024</u>	<u>December 31, 2023</u>
Assets		
Cash and cash equivalents	\$ 7,974,123	\$ 15,213,460
Investments	109,659,049	109,332,265
Statutory Liquid Reserve	13,810,636	13,650,901
Accounts receivable, net	17,305,035	15,233,968
Assets whose use is limited	38,849,392	44,514,015
Assets held for sale	4,314,132	-
Property and equipment, net	462,446,342	464,066,268
Due from affiliates, net	88,185,879	86,107,579
Funds held in trust by others	19,470,299	18,867,774
Other assets	33,103,126	34,631,708
	<u>795,118,013</u>	<u>801,617,938</u>
Total assets	<u>\$ 795,118,013</u>	<u>\$ 801,617,938</u>
Liabilities and Net Assets		
Accounts Payable	\$ 8,428,465	\$ 11,196,881
Accrued expenses	20,490,279	20,615,867
Lines of credit	6,798,915	16,750,000
Resident deposits	3,415,080	3,294,828
Entrance fees payable	13,181,104	13,980,916
Other liabilities	3,253,244	4,013,857
Long-term debt, senior living	346,479,927	350,941,000
Deferred revenue from entrance fees	154,235,433	150,814,426
	<u>556,282,445</u>	<u>571,607,775</u>
Total liabilities	<u>556,282,445</u>	<u>571,607,775</u>
Net Assets		
Without donor restriction	209,924,926	202,363,054
With donor restriction	28,910,642	27,647,109
Total net assets (deficit)	<u>238,835,568</u>	<u>230,010,163</u>
Total liabilities, net assets and equity	<u>\$ 795,118,013</u>	<u>\$ 801,617,938</u>

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Statements of Operations and Changes in Net Assets

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

	<u>May 31, 2024</u>	<u>December 31, 2023</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 92,835,837	\$ 190,058,377
Amortization of entrance fees	9,397,022	19,867,271
Total resident services	<u>102,232,859</u>	<u>209,925,649</u>
Sales of other services and materials	-	78,046
Contributions, gifts, grants and bequests	791,814	845,034
Government grants	-	811,173
Government stimulus	602,892	184,711
FEMA funding	-	29,790
Net assets released from restrictions	<u>213,407</u>	<u>687,704</u>
Total operating revenues and other support	<u>103,840,971</u>	<u>212,562,106</u>
Expenses:		
Nursing services	29,595,445	60,407,358
Rehabilitation	4,177,348	8,706,017
Recreation and special services	1,834,398	3,753,962
Pharmacy	1,030,972	2,873,042
Social Services	407,660	863,611
Physician Services	149,244	626,738
Dining Services	11,372,722	24,077,143
Building operations and maintenance	14,224,683	28,923,373
Housekeeping	1,808,273	3,875,125
Laundry	579,071	1,285,475
Management and general	14,127,618	33,549,244
Employee Benefits	4,810,591	9,867,450
Interest	7,020,139	12,178,581
Depreciation	11,036,122	25,063,463
Amortization	1,372,240	1,286,192
Fundraising	<u>252,615</u>	<u>467,763</u>
Total expenses before non-recurring expenses	<u>103,799,141</u>	<u>217,804,537</u>
Non-recurring expenses, COVID-19	<u>-</u>	<u>8,393</u>
Operating income (loss) before gains and losses	41,831	(5,250,824)
Loss on sale and disposal of property	300	(860,625)
Loss on impairment of asset	<u>-</u>	<u>(635,166)</u>
Operating income (loss)	<u>42,131</u>	<u>(6,746,615)</u>
Other income (loss):		
Investment income, net of investment expense	3,162,035	4,369,868
Realized gain on investments	7,288	181,709
Unrealized gain on investments	4,350,418	9,619,457
Loss on early extinguishment of debt	<u>-</u>	<u>(765,698)</u>
Total other income (loss)	<u>7,519,741</u>	<u>13,405,335</u>
Revenues in excess of expenses	<u>7,561,871</u>	<u>6,658,720</u>
Increase in net assets without donor restrictions	<u>7,561,871</u>	<u>6,658,720</u>

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Statements of Operations and Changes in Net Assets

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

	<u>May 31, 2024</u>	<u>December 31, 2023</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	701,409	1,301,384
Investment income, net of investment expense	17,467	68,271
Unrealized gain on investments	758,064	1,694,724
Net assets released from restrictions	<u>(213,407)</u>	<u>(687,704)</u>
Increase in net assets with donor restrictions	<u>1,263,533</u>	<u>2,376,676</u>
Increase in net assets	8,825,404	9,035,396
Net Assets (Deficit), Beginning	<u>230,010,163</u>	<u>220,974,767</u>
Net Assets (Deficit), Ending	<u><u>\$ 238,835,568</u></u>	<u><u>\$ 230,010,163</u></u>

Presbyterian Homes Obligated Group

Statements of Cash Flows

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

	May 31, 2024	December 31, 2023
Cash Flows From Operating Activities		
Increase in net assets	\$8,825,404	\$ 9,035,396
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	11,036,122	25,063,463
Provision for doubtful collections	411,619	2,427,462
Proceeds from non-refundable fees and deposits	12,528,756	25,653,384
Amortization of entrance fees	(9,397,022)	(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	(5,108,482)	(11,314,181)
Realized gain on investments	(7,288)	(181,709)
Loss on sale of community and disposals of property and equipment	(300)	860,625
Contributions restricted for long-term purposes	(300)	(55,525)
Amortization of deferred financing costs	96,728	146,699
Amortization of bond premium	(166,626)	(400,757)
Amortization of bond discount	72,190	83,210
Loss on impairment of asset	-	635,166
Changes in assets and liabilities		
Accounts receivable	(1,251,386)	(6,925,507)
Entrance fee receivable	(1,231,299)	484,151
Other assets	1,528,582	2,687,209
Accounts payable	(2,768,416)	3,112,274
Accrued expenses	(125,588)	5,554,641
Other liabilities	(760,613)	(1,659,439)
Net cash provided by operating activities	<u>13,682,080</u>	<u>36,104,989</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(13,730,028)	(34,407,539)
Proceeds from sale of property and equipment	-	2,600,000
Amounts paid in acquisitions	-	(79,764,976)
Purchases of investments	(4,576,093)	(38,482,287)
Proceeds from sale of investments	14,267,441	37,747,406
Due from affiliates, net	-2,078,300	126,375
Net cash used in investing activities	<u>(6,116,979)</u>	<u>(112,181,021)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(2,412,778)	(4,949,893)
Proceeds from refundable entrance fees and deposits, resales	312,802	447,655
Proceeds from refundable entrance fees and deposits, new units	1,709,688	1,554,032
Principal payments on redemptions of long-term debt	(4,363,780)	(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	300	55,525
Net cash (used in) provided by financing activities	<u>(14,804,438)</u>	<u>88,258,231</u>
Net change in cash, cash equivalents and restricted cash	(7,239,337)	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>\$ 56,910,672</u>	<u>\$ 64,150,009</u>
Cash and cash equivalents	\$ 7,974,123	\$ 15,213,460
Restricted cash in investments	48,936,550	48,936,550
Total cash, cash equivalents and restricted cash	<u>\$ 56,910,673</u>	<u>\$ 64,150,009</u>