

Presbyterian Homes Obligated Group

Statements of Financial Position

April 30, 2026 and December 31, 2025

	<u>April 30, 2026</u>	<u>December 31, 2025</u>
Assets		
Cash and cash equivalents	\$ 4,252,731	\$ 4,020,820
Investments	181,209,217	180,922,337
Statutory Liquid Reserve	14,089,830	13,875,035
Accounts receivable, net	14,456,964	15,517,096
Assets whose use is limited	20,267,058	20,064,312
Property and equipment, net	467,211,626	468,643,786
Due from affiliates, net	86,618,392	83,241,827
Funds held in trust by others	21,238,022	20,856,407
Goodwill	22,079,007	23,082,598
Other assets	9,697,254	9,753,138
	<u>841,120,101</u>	<u>839,977,357</u>
Total assets	<u>\$ 841,120,101</u>	<u>\$ 839,977,357</u>
Liabilities and Net Assets		
Accounts Payable	4,210,926	10,225,493
Accrued expenses	20,514,021	19,756,440
Lines of credit	15,154,329	15,316,959
Resident deposits	4,183,434	4,324,090
Entrance fees payable	15,463,113	15,170,341
Other liabilities	5,965,492	5,031,719
Long-term debt, senior living	330,628,973	333,219,905
Deferred revenue from entrance fees	175,125,519	176,102,056
	<u>571,245,807</u>	<u>579,147,002</u>
Total liabilities	<u>571,245,807</u>	<u>579,147,002</u>
Net Assets		
Without donor restriction	238,719,547	229,980,564
With donor restriction	31,154,746	30,849,791
Total net assets	<u>269,874,293</u>	<u>260,830,355</u>
Total liabilities and net assets	<u>\$ 841,120,101</u>	<u>\$ 839,977,357</u>

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

Period ended April 30, 2026 and year ended December 31, 2025

	<u>April 30, 2026</u>	<u>December 31, 2025</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 77,081,503	\$ 226,685,716
Amortization of entrance fees	8,590,339	25,868,381
Total resident services	<u>85,671,843</u>	<u>252,554,097</u>
Contributions, gifts, grants and bequests	107,100	465,873
Other revenues	-	331,480
Net assets released from restrictions	<u>83,312</u>	<u>1,177,176</u>
Total operating revenues and other support	<u>85,862,255</u>	<u>254,528,626</u>
Expenses:		
Nursing services	22,362,617	68,793,171
Rehabilitation	3,433,666	9,883,702
Recreation and special services	1,686,896	4,704,795
Pharmacy	723,155	2,407,425
Social Services	359,531	1,054,728
Physician Services	112,150	361,549
Dining Services	10,164,209	28,987,954
Building operations and maintenance	13,080,380	37,398,909
Housekeeping	1,616,913	4,815,690
Laundry	420,840	1,295,490
Management and general	12,847,178	36,590,612
Employee Benefits	4,208,199	10,156,725
Interest	5,316,324	16,189,734
Depreciation	10,025,288	29,594,958
Amortization	1,003,591	3,152,075
Fundraising	<u>211,547</u>	<u>664,499</u>
Total expenses before non-recurring expenses	<u>87,572,486</u>	<u>256,052,013</u>
Operating loss before gains and losses	(1,710,231)	(1,523,387)
Loss on sale and disposal of property	<u>(47,028)</u>	<u>(116,408)</u>
Operating loss	<u>(1,757,259)</u>	<u>(1,639,795)</u>
Other income (loss):		
Investment income, net of investment expense	2,376,895	6,214,536
Realized (loss) gain on investments	(10,829)	1,410,030
Unrealized gain on investments	<u>8,130,175</u>	<u>9,691,000</u>
Total other income	<u>10,496,242</u>	<u>17,315,566</u>
Revenues in excess of expenses	<u>8,738,983</u>	<u>15,675,771</u>
Increase in net assets without donor restrictions	<u>8,738,983</u>	<u>15,675,771</u>

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

Period ended April 30, 2026 and year ended December 31, 2025

	<u>April 30, 2026</u>	<u>December 31, 2025</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	382,599	944,935
Investment income, net of investment expense	51,453	109,602
Unrealized (loss) gain on investments	(45,784)	1,446,716
Net assets released from restrictions	<u>(83,312)</u>	<u>(1,177,176)</u>
Increase in net assets with donor restrictions	<u>304,956</u>	<u>1,324,076</u>
Increase in net assets	9,043,939	16,999,847
Net Assets, Beginning	<u>260,830,355</u>	<u>243,830,508</u>
Net Assets, Ending	<u><u>\$ 269,874,293</u></u>	<u><u>\$ 260,830,355</u></u>

Presbyterian Homes Obligated Group

Statements of Cash Flows

Period ended April 30, 2026 and year ended December 31, 2025

	<u>April 30, 2026</u>	<u>December 31, 2025</u>
Cash Flows From Operating Activities		
(Decrease) increase in net assets	\$ 9,043,939	\$ 16,999,847
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	10,025,288	29,594,958
Provision for credit losses	650,669	1,258,397
Proceeds from non-refundable fees and deposits	9,317,342	43,356,557
Amortization of entrance fees	(8,590,339)	(25,868,381)
Unrealized loss (gain) on investments and change in fair value of funds held in trust by others	(8,084,391)	(11,137,716)
Realized loss (gain) on investments	10,829	(1,410,030)
Loss on sale of community and disposals of property and equipment	47,028	116,408
Contributions restricted for long-term purposes	(32,021)	(114,836)
Amortization of deferred financing costs	63,721	193,749
Amortization of bond premium	(131,446)	(399,903)
Amortization of bond discount	57,663	173,219
Amortization of goodwill	1,003,591	3,152,075
Changes in assets and liabilities		
Accounts receivable	(1,034,563)	(448,647)
Entrance fee receivable	1,444,026	(1,399,695)
Other assets	55,883	(3,483,085)
Accounts payable	(6,014,567)	1,228,479
Accrued expenses	757,581	(576,870)
Other liabilities	933,773	(297,272)
Net cash provided by operating activities	<u>9,524,007</u>	<u>50,937,253</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(8,640,157)	(31,274,594)
Purchases of investments	(14,758,703)	(49,718,141)
Proceeds from sale of investments	21,746,231	31,640,437
Due from affiliates, net	(3,376,565)	(73,118)
Net cash used in investing activities	<u>(5,029,194)</u>	<u>(49,425,415)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(1,732,005)	(5,481,378)
Proceeds from refundable entrance fees and deposits, resales	180,582	956,450
Principal payments on redemptions of long-term debt	(2,580,871)	(8,045,119)
(Repayments) borrowings on lines of credit	(162,630)	9,010,482
Contributions restricted for long-term purposes	32,021	114,836
Net cash used in financing activities	<u>(4,262,902)</u>	<u>(3,444,729)</u>
Net change in cash, cash equivalents and restricted cash	231,911	(1,932,891)
Cash, cash equivalents and restricted cash, beginning	<u>60,090,442</u>	<u>62,023,333</u>
Cash, cash equivalents and restricted cash, ending	<u>\$ 60,322,353</u>	<u>\$ 60,090,442</u>
Cash and cash equivalents	\$ 4,252,731	\$ 4,020,820
Restricted cash in investments	56,069,622	56,069,622
Total cash, cash equivalents and restricted cash	<u>\$ 60,322,353</u>	<u>\$ 60,090,442</u>