

## Presbyterian Homes Obligated Group

### Statements of Financial Position

December 31, 2025 and December 31, 2024

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 4,020,820	\$ 10,578,204
Investments	180,922,337	138,141,276
Statutory Liquid Reserve	13,875,035	13,786,571
Accounts receivable, net	15,517,096	14,927,150
Assets whose use is limited	20,064,312	28,586,815
Property and equipment, net	468,643,786	467,080,558
Due from affiliates, net	83,241,827	83,168,709
Funds held in trust by others	20,856,407	19,953,487
Goodwill	23,082,598	26,234,673
Other assets	9,753,138	6,270,053
	<hr/>	<hr/>
Total assets	<u>\$ 839,977,357</u>	<u>\$ 808,727,497</u>
<b>Liabilities and Net Assets</b>		
Accounts Payable	10,225,493	\$ 8,997,014
Accrued expenses	19,756,440	20,333,310
Lines of credit	15,316,959	6,306,477
Resident deposits	4,324,090	3,457,092
Entrance fees payable	15,170,341	12,586,800
Other liabilities	5,031,719	5,328,990
Long-term debt, senior living	333,219,905	341,297,959
Deferred revenue from entrance fees	176,102,056	166,589,346
	<hr/>	<hr/>
Total liabilities	<u>579,147,002</u>	<u>564,896,989</u>
<b>Net Assets</b>		
Without donor restriction	229,980,564	214,304,793
With donor restriction	30,849,791	29,525,714
Total net assets	<u>260,830,355</u>	<u>243,830,508</u>
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 839,977,357</u>	<u>\$ 808,727,497</u>

**Presbyterian Homes Obligated Group**

## Statements of Operations and Changes in Net Assets

Period ended December 31, 2025 and year ended December 31, 2024

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 226,685,716	\$ 224,505,886
Amortization of entrance fees	25,868,381	21,874,608
Total resident services	<u>252,554,097</u>	<u>246,380,494</u>
Contributions, gifts, grants and bequests	465,873	1,654,571
Government stimulus	-	721,577
Other revenues	331,480	-
Net assets released from restrictions	<u>1,177,176</u>	<u>515,541</u>
Total operating revenues and other support	<u>254,528,626</u>	<u>249,272,183</u>
Expenses:		
Nursing services	68,793,171	70,290,259
Rehabilitation	9,883,702	9,992,857
Recreation and special services	4,704,795	4,520,390
Pharmacy	2,407,425	2,429,238
Social Services	1,054,728	1,003,338
Physician Services	361,549	365,104
Dining Services	28,987,954	28,057,276
Building operations and maintenance	37,398,909	33,932,112
Housekeeping	4,815,690	4,459,200
Laundry	1,295,490	1,398,386
Management and general	36,590,612	35,638,778
Employee Benefits	10,156,725	12,362,249
Interest	16,189,734	16,474,519
Depreciation	29,594,958	26,811,272
Amortization	3,152,075	3,293,375
Fundraising	<u>664,499</u>	<u>560,098</u>
Total expenses before non-recurring expenses	<u>256,052,013</u>	<u>251,588,453</u>
Operating loss before gains and losses	(1,523,387)	(2,316,270)
(Loss) gain on sale and disposal of property	(116,408)	426,830
Loss on impairment of asset	<u>-</u>	<u>(102,723)</u>
Operating loss	<u>(1,639,795)</u>	<u>(1,992,163)</u>
Other income:		
Investment income, net of investment expense	6,214,536	6,162,347
Realized gain on investments	1,410,030	1,034,003
Unrealized gain on investments	<u>9,691,000</u>	<u>6,737,553</u>
Total other income	<u>17,315,566</u>	<u>13,933,902</u>
Revenues in excess of expenses	15,675,771	11,941,739
Increase in net assets without donor restrictions	<u>15,675,771</u>	<u>11,941,739</u>

**Presbyterian Homes Obligated Group**

Statements of Operations and Changes in Net Assets

Period ended December 31, 2025 and year ended December 31, 2024

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	944,935	913,463
Investment income, net of investment expense	109,602	70,449
Unrealized gain on investments	1,446,716	1,410,235
Net assets released from restrictions	<u>(1,177,176)</u>	<u>(515,541)</u>
Increase in net assets with donor restrictions	<u>1,324,076</u>	<u>1,878,605</u>
Increase in net assets	16,999,847	13,820,344
<b>Net Assets, Beginning</b>	<u>243,830,508</u>	<u>230,010,163</u>
<b>Net Assets, Ending</b>	<u><u>\$ 260,830,355</u></u>	<u><u>\$ 243,830,508</u></u>

DRAFT

**Presbyterian Homes Obligated Group**

## Statements of Cash Flows

Period ended December 31, 2025 and year ended December 31, 2024

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 16,999,847	\$ 13,820,344
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	29,594,958	26,811,272
Provision for doubtful collections	1,258,397	1,717,937
Proceeds from non-refundable fees and deposits	43,356,557	36,694,775
Amortization of entrance fees	(25,868,381)	(21,874,608)
Unrealized gain on investments and change in fair value of funds held in trust by others	(11,137,716)	(8,147,787)
Realized gain on investments	(1,410,030)	(1,034,003)
Loss (gain) on sale of community and disposals of property and equipment	116,408	(426,830)
Contributions restricted for long-term purposes	(114,836)	(93,391)
Amortization of deferred financing costs	193,749	236,120
Amortization of bond premium	(399,903)	(457,028)
Amortization of bond discount	173,219	173,255
Amortization of goodwill	3,152,075	3,293,375
Loss on impairment of asset	-	102,723
Changes in assets and liabilities		
Accounts receivable	(448,647)	(577,759)
Entrance fee receivable	(1,399,695)	(833,361)
Other assets	(3,483,085)	(1,166,392)
Accounts payable	1,228,479	(2,199,867)
Accrued expenses	(576,870)	(282,557)
Other liabilities	(297,272)	1,315,133
Net cash provided by operating activities	<u>50,937,253</u>	<u>47,071,352</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(31,274,594)	(35,101,456)
Proceeds from sale of property and equipment	-	5,600,000
Purchases of investments	(49,718,141)	(31,465,190)
Proceeds from sale of investments	31,640,437	29,052,366
Due from affiliates, net	(73,118)	2,938,870
Net cash used in investing activities	<u>(49,425,415)</u>	<u>(28,975,410)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(5,481,378)	(6,063,266)
Proceeds from refundable entrance fees and deposits, resales	956,450	893,355
Proceeds from refundable entrance fees and deposits, new units	-	4,892,813
Principal payments on redemptions of long-term debt	(8,045,119)	(9,495,803)
Financing costs paid	-	(99,585)
Borrowings (repayments) on lines of credit	9,010,482	(10,443,523)
Contributions restricted for long-term purposes	114,836	93,391
Net cash used in financing activities	<u>(3,444,729)</u>	<u>(20,222,618)</u>
Net change in cash, cash equivalents and restricted cash	(1,932,891)	(2,126,676)
<b>Cash, cash equivalents and restricted cash, beginning</b>	<u>62,023,333</u>	<u>64,150,009</u>
<b>Cash, cash equivalents and restricted cash, ending</b>	<u>\$ 60,090,442</u>	<u>\$ 62,023,333</u>
Cash and cash equivalents	\$ 4,020,820	\$ 10,578,204
Restricted cash in investments	56,069,622	51,445,129
Total cash, cash equivalents and restricted cash	<u>\$ 60,090,442</u>	<u>\$ 62,023,333</u>