

Presbyterian Homes Obligated Group

Statements of Financial Position

February 28, 2026 and December 31, 2025

	<u>February 28, 2026</u>	<u>December 31, 2025</u>
Assets		
Cash and cash equivalents	\$ 3,139,570	\$ 4,020,820
Investments	169,407,247	180,922,337
Statutory Liquid Reserve	14,014,622	13,875,035
Accounts receivable, net	14,897,660	15,517,096
Assets whose use is limited	20,150,781	20,064,312
Property and equipment, net	465,413,751	468,643,786
Due from affiliates, net	86,000,517	83,241,827
Funds held in trust by others	21,236,845	20,856,407
Goodwill	22,580,803	23,082,598
Other assets	10,257,819	9,753,138
	<u>827,099,615</u>	<u>839,977,357</u>
Total assets	<u>\$ 827,099,615</u>	<u>\$ 839,977,357</u>
Liabilities and Net Assets		
Accounts Payable	\$ 10,628,984	10,225,493
Accrued expenses	16,289,342	19,756,440
Lines of credit	2,999,181	15,316,959
Resident deposits	4,149,798	4,324,090
Entrance fees payable	14,813,298	15,170,341
Other liabilities	4,720,886	5,031,719
Long-term debt, senior living	332,432,744	333,219,905
Deferred revenue from entrance fees	175,383,907	176,102,056
	<u>561,418,139</u>	<u>579,147,002</u>
Total liabilities	<u>561,418,139</u>	<u>579,147,002</u>
Net Assets		
Without donor restriction	234,203,171	229,980,564
With donor restriction	31,478,304	30,849,791
Total net assets	<u>265,681,475</u>	<u>260,830,355</u>
Total liabilities and net assets	<u>\$ 827,099,615</u>	<u>\$ 839,977,357</u>

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

Period ended February 28, 2026 and year ended December 31, 2025

	<u>February 28, 2026</u>	<u>December 31, 2025</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 37,987,223	\$ 226,685,716
Amortization of entrance fees	4,507,700	25,868,381
Total resident services	42,494,923	252,554,097
Contributions, gifts, grants and bequests	58,567	465,873
Other revenues	-	331,480
Net assets released from restrictions	43,302	1,177,176
Total operating revenues and other support	42,596,791	254,528,626
Expenses:		
Nursing services	10,944,938	68,793,171
Rehabilitation	1,667,199	9,883,702
Recreation and special services	829,739	4,704,795
Pharmacy	358,270	2,407,425
Social Services	175,889	1,054,728
Physician Services	55,150	361,549
Dining Services	4,988,718	28,987,954
Building operations and maintenance	7,070,205	37,398,909
Housekeeping	805,447	4,815,690
Laundry	191,344	1,295,490
Management and general	6,187,788	36,590,612
Employee Benefits	2,105,624	10,156,725
Interest	2,646,573	16,189,734
Depreciation	5,009,715	29,594,958
Amortization	501,796	3,152,075
Fundraising	105,773	664,499
Total expenses before non-recurring expenses	43,644,169	256,052,013
Operating loss before gains and losses	(1,047,377)	(1,523,387)
Loss on sale and disposal of property	(42,145)	(116,408)
Operating loss	(1,089,522)	(1,639,795)
Other income:		
Investment income, net of investment expense	464,815	6,214,536
Realized (loss) gain on investments	(9,901)	1,410,030
Unrealized gain on investments	4,857,214	9,691,000
Total other income	5,312,129	17,315,566
Revenues in excess of expenses	4,222,607	15,675,771
Increase in net assets without donor restrictions	4,222,607	15,675,771

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

Period ended February 28, 2026 and year ended December 31, 2025

	<u>February 28, 2026</u>	<u>December 31, 2025</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	147,041	944,935
Investment income, net of investment expense	19,286	109,602
Unrealized gain on investments	505,489	1,446,716
Net assets released from restrictions	(43,302)	<u>(1,177,176)</u>
Increase in net assets with donor restrictions	<u>628,514</u>	<u>1,324,076</u>
Increase in net assets	4,851,120	16,999,847
Net Assets, Beginning	<u>260,830,355</u>	<u>243,830,508</u>
Net Assets, Ending	<u>\$ 265,681,475</u>	<u>\$ 260,830,355</u>

Presbyterian Homes Obligated Group

Statements of Cash Flows

Period ended February 28, 2026 and year ended December 31, 2025

	February 28, 2026	December 31, 2025
Cash Flows From Operating Activities		
Increase in net assets	\$ 4,851,120	\$ 16,999,847
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	5,009,715	29,594,958
Provision for credit losses	204,332	1,258,397
Proceeds from non-refundable fees and deposits	3,733,498	43,356,557
Amortization of entrance fees	(4,507,700)	(25,868,381)
Unrealized gain on investments and change in fair value of funds held in trust by others	(5,362,703)	(11,137,716)
Realized loss (gain) on investments	9,901	(1,410,030)
Loss on sale of community and disposals of property and equipment	42,145	116,408
Contributions restricted for long-term purposes	-	(114,836)
Amortization of deferred financing costs	31,861	193,749
Amortization of bond premium	(65,723)	(399,903)
Amortization of bond discount	28,831	173,219
Amortization of goodwill	501,796	3,152,075
Changes in assets and liabilities		
Accounts receivable	(807,096)	(448,647)
Entrance fee receivable	1,222,200	(1,399,695)
Other assets	(504,681)	(3,483,085)
Accounts payable	403,491	1,228,479
Accrued expenses	(3,467,098)	(576,870)
Other liabilities	(310,833)	(297,272)
Net cash provided by operating activities	<u>1,013,055</u>	<u>50,937,253</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(1,821,825)	(31,274,594)
Purchases of investments	(1,151,558)	(49,718,141)
Proceeds from sale of investments	17,412,958	31,640,437
Due from affiliates, net	(2,758,690)	(73,118)
Net cash provided by (used in) investing activities	<u>11,680,885</u>	<u>(49,425,415)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(475,281)	(5,481,378)
Proceeds from refundable entrance fees and deposits, resales	-	956,450
Principal payments on redemptions of long-term debt	(782,130)	(8,045,119)
(Repayments) borrowings on lines of credit	(12,317,778)	9,010,482
Contributions restricted for long-term purposes	-	114,836
Net cash used in financing activities	<u>(13,575,189)</u>	<u>(3,444,729)</u>
Net change in cash, cash equivalents and restricted cash	(881,250)	(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>\$ 59,209,192</u>	<u>\$ 60,090,442</u>
Cash and cash equivalents	\$ 3,139,570	\$ 4,020,820
Restricted cash in investments	56,069,622	56,069,622
Total cash, cash equivalents and restricted cash	<u>\$ 59,209,193</u>	<u>\$ 60,090,442</u>