

## Presbyterian Homes Obligated Group

### Statements of Financial Position

January 31, 2026 and December 31, 2025

	<u>January 31, 2026</u>	<u>December 31, 2025</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,309,399	\$ 4,020,820
Investments	173,471,055	186,815,672
Statutory Liquid Reserve	13,961,337	13,875,035
Accounts receivable, net	15,702,550	15,517,096
Assets whose use is limited	20,108,633	20,064,312
Property and equipment, net	466,913,580	468,643,786
Due from affiliates, net	84,625,855	83,241,827
Funds held in trust by others	21,155,552	20,856,407
Goodwill	22,831,701	23,082,598
Other assets	10,173,139	9,753,138
	<u>830,252,801</u>	<u>845,870,692</u>
Total assets	<u>\$ 830,252,801</u>	<u>\$ 845,870,692</u>
<b>Liabilities and Net Assets</b>		
Accounts Payable	\$ 8,380,073	10,225,493
Accrued expenses	15,884,413	19,756,440
Lines of credit	3,267,454	15,316,959
Resident deposits	4,117,356	4,324,090
Entrance fees payable	14,922,940	15,170,341
Other liabilities	4,949,090	5,031,719
Long-term debt, senior living	332,781,256	333,219,905
Deferred revenue from entrance fees	175,452,254	176,102,056
	<u>559,754,836</u>	<u>579,147,002</u>
Total liabilities	<u>559,754,836</u>	<u>579,147,002</u>
<b>Net Assets</b>		
Without donor restriction	239,204,759	235,873,899
With donor restriction	31,293,205	30,849,791
Total net assets	<u>270,497,964</u>	<u>266,723,690</u>
Total liabilities and net assets	<u>\$ 830,252,801</u>	<u>\$ 845,870,692</u>

**Presbyterian Homes Obligated Group**

## Statements of Operations and Changes in Net Assets

Period ended January 31, 2026 and year ended December 31, 2025

	<u>January 31, 2026</u>	<u>December 31, 2025</u>
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 19,705,747	\$ 226,685,716
Amortization of entrance fees	2,729,384	25,868,381
Total resident services	<u>22,435,132</u>	<u>252,554,097</u>
Contributions, gifts, grants and bequests	21,810	465,873
Other revenues	-	331,480
Net assets released from restrictions	-	1,177,176
Total operating revenues and other support	<u>22,456,941</u>	<u>254,528,626</u>
Expenses:		
Nursing services	5,807,839	68,793,171
Rehabilitation	842,510	9,883,702
Recreation and special services	424,973	4,704,795
Pharmacy	159,120	2,407,425
Social Services	93,548	1,054,728
Physician Services	28,000	361,549
Dining Services	2,598,510	28,987,954
Building operations and maintenance	3,666,210	37,398,909
Housekeeping	420,890	4,815,690
Laundry	106,502	1,295,490
Management and general	3,177,442	36,590,612
Employee Benefits	999,813	10,156,725
Interest	1,352,155	16,189,734
Depreciation	2,502,494	29,594,958
Amortization	250,898	3,152,075
Fundraising	52,887	664,499
Total expenses before non-recurring expenses	<u>22,483,790</u>	<u>256,052,013</u>
Operating loss before gains and losses	(26,848)	(1,523,387)
(Loss) gain on sale and disposal of property	(9,760)	(116,408)
Operating loss	<u>(36,608)</u>	<u>(1,639,795)</u>
Other income:		
Investment income, net of investment expense	228,277	6,214,536
Realized gain on investments	(9,901)	1,410,030
Unrealized gain on investments	3,149,092	15,584,335
Total other income	<u>3,367,469</u>	<u>23,208,901</u>
Revenues in excess of expenses	<u>3,330,861</u>	<u>21,569,106</u>
Increase in net assets without donor restrictions	<u>3,330,861</u>	<u>21,569,106</u>

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Statements of Operations and Changes in Net Assets

Period ended January 31, 2026 and year ended December 31, 2025

	<u>January 31, 2026</u>	<u>December 31, 2025</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	70,836	944,935
Investment income, net of investment expense	-	109,602
Unrealized gain on investments	372,578	1,446,716
Net assets released from restrictions	<u>-</u>	<u>(1,177,176)</u>
Increase in net assets with donor restrictions	<u>443,414</u>	<u>1,324,076</u>
Increase in net assets	3,774,274	22,893,182
<b>Net Assets, Beginning</b>	<u>266,723,690</u>	<u>243,830,508</u>
<b>Net Assets, Ending</b>	<u><u>\$ 270,497,964</u></u>	<u><u>\$ 266,723,690</u></u>

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## Statements of Cash Flows

Period ended January 31, 2026 and year ended December 31, 2025

	January 31, 2026	December 31, 2025
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 3,774,274	\$ 22,893,182
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	2,502,494	29,594,958
Provision for doubtful collections	104,264	1,258,397
Proceeds from non-refundable fees and deposits	1,869,587	43,356,557
Amortization of entrance fees	(2,729,384)	(25,868,381)
Unrealized gain on investments and change in fair value of funds held in trust by others	(3,521,670)	(17,031,051)
Realized loss (gain) on investments	9,901	(1,410,030)
Loss (gain) on sale of community and disposals of property and equipment	9,760	116,408
Contributions restricted for long-term purposes	-	(114,836)
Amortization of deferred financing costs	15,930	193,749
Amortization of bond premium	(32,862)	(399,903)
Amortization of bond discount	14,416	173,219
Amortization of goodwill	250,898	3,152,075
Changes in assets and liabilities		
Accounts receivable	(1,133,145)	(448,647)
Entrance fee receivable	843,427	(1,399,695)
Other assets	(420,002)	(3,483,085)
Accounts payable	(1,845,420)	1,228,479
Accrued expenses	(3,872,027)	(576,870)
Other liabilities	(82,628)	(297,272)
Net cash (used in) provided by operating activities	<u>(4,242,187)</u>	<u>50,937,253</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(782,048)	(31,274,594)
Purchases of investments	(693,739)	(50,126,938)
Proceeds from sale of investments	17,120,359	31,640,437
Due from affiliates, net	(1,384,027)	(73,118)
Net cash provided by investing activities	<u>14,260,545</u>	<u>(49,834,212)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(244,140)	(5,481,378)
Proceeds from refundable entrance fees and deposits, resales	-	956,450
Principal payments on redemptions of long-term debt	-	(8,045,119)
Proceeds from issuance of long-term debt	(436,133)	-
Borrowings (repayments) on lines of credit	(12,049,505)	9,010,482
Contributions restricted for long-term purposes	-	114,836
Net cash used in financing activities	<u>(12,729,778)</u>	<u>(3,444,729)</u>
Net change in cash, cash equivalents and restricted cash	(2,711,420)	(2,341,688)
<b>Cash, cash equivalents and restricted cash, beginning</b>	<u>59,681,645</u>	<u>62,023,333</u>
<b>Cash, cash equivalents and restricted cash, ending</b>	<u>\$ 56,970,225</u>	<u>\$ 59,681,645</u>
Cash and cash equivalents	\$ 1,309,399	\$ 4,020,820
Restricted cash in investments	55,660,825	55,660,825
Total cash, cash equivalents and restricted cash	<u>\$ 56,970,225</u>	<u>\$ 59,681,645</u>