

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 57,848,880	\$ 226,685,716
Amortization of entrance fees	6,502,441	25,868,381
Total resident services	<u>64,351,320</u>	<u>252,554,097</u>
Contributions, gifts, grants and bequests	58,524	465,873
Other revenues	-	331,480
Net assets released from restrictions	<u>63,554</u>	<u>1,177,176</u>
Total operating revenues and other support	<u>64,473,399</u>	<u>254,528,626</u>
Expenses:		
Nursing services	16,717,199	68,793,171
Rehabilitation	2,567,787	9,883,702
Recreation and special services	1,259,313	4,704,795
Pharmacy	527,872	2,407,425
Social Services	266,061	1,054,728
Physician Services	83,650	361,549
Dining Services	7,569,332	28,987,954
Building operations and maintenance	10,100,202	37,398,909
Housekeeping	1,221,619	4,815,690
Laundry	305,570	1,295,490
Management and general	9,483,829	36,590,612
Employee Benefits	3,146,583	10,156,725
Interest	3,971,628	16,189,734
Depreciation	7,513,537	29,594,958
Amortization	752,693	3,152,075
Fundraising	<u>158,660</u>	<u>664,499</u>
Total expenses before non-recurring expenses	<u>65,645,535</u>	<u>256,052,013</u>
Operating loss before gains and losses	(1,172,136)	(1,523,387)
Loss on sale and disposal of property	<u>(42,628)</u>	<u>(116,408)</u>
Operating loss	<u>(1,214,765)</u>	<u>(1,639,795)</u>
Other income (loss):		
Investment income, net of investment expense	930,339	6,214,536
Realized (loss) gain on investments	(10,829)	1,410,030
Unrealized (loss) gain on investments	<u>(2,340,130)</u>	<u>9,691,000</u>
Total other income (loss)	<u>(1,420,619)</u>	<u>17,315,566</u>
Revenues (less than) in excess of expenses	<u>(2,635,384)</u>	<u>15,675,771</u>
(Decrease) increase in net assets without donor restrictions	<u>(2,635,384)</u>	<u>15,675,771</u>

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	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	327,491	944,935
Investment income, net of investment expense	38,503	109,602
Unrealized (loss) gain on investments	(955,421)	1,446,716
Net assets released from restrictions	<u>(63,554)</u>	<u>(1,177,176)</u>
(Decrease) increase in net assets with donor restrictions	<u>(652,982)</u>	<u>1,324,076</u>
(Decrease) increase in net assets	(3,288,366)	16,999,847
Net Assets, Beginning	<u>260,830,355</u>	<u>243,830,508</u>
Net Assets, Ending	<u><u>\$ 257,541,989</u></u>	<u><u>\$ 260,830,355</u></u>

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Statements of Financial Position

March 31, 2026 and December 31, 2025

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Assets		
Cash and cash equivalents	\$ 2,204,012	\$ 4,020,820
Investments	173,522,670	180,922,337
Statutory Liquid Reserve	13,812,892	13,875,035
Accounts receivable, net	14,680,434	15,517,096
Assets whose use is limited	20,220,826	20,064,312
Property and equipment, net	465,686,996	468,643,786
Due from affiliates, net	83,596,523	83,241,827
Funds held in trust by others	20,452,066	20,856,407
Goodwill	22,329,905	23,082,598
Other assets	10,641,187	9,753,138
	<u>827,147,512</u>	<u>839,977,357</u>
Total assets	<u>\$ 827,147,512</u>	<u>\$ 839,977,357</u>
Liabilities and Net Assets		
Accounts Payable	\$ 8,938,040	10,225,493
Accrued expenses	18,470,909	19,756,440
Lines of credit	11,674,008	15,316,959
Resident deposits	4,293,416	4,324,090
Entrance fees payable	15,237,107	15,170,341
Other liabilities	4,905,909	5,031,719
Long-term debt, senior living	331,072,168	333,219,905
Deferred revenue from entrance fees	175,013,966	176,102,056
	<u>569,605,523</u>	<u>579,147,002</u>
Total liabilities	<u>569,605,523</u>	<u>579,147,002</u>
Net Assets		
Without donor restriction	227,345,181	229,980,564
With donor restriction	30,196,808	30,849,791
Total net assets	<u>257,541,989</u>	<u>260,830,355</u>
Total liabilities and net assets	<u>\$ 827,147,512</u>	<u>\$ 839,977,357</u>

Presbyterian Homes Obligated Group

Statements of Cash Flows

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

	March 31, 2026	December 31, 2025
Cash Flows From Operating Activities		
(Decrease) increase in net assets	\$ (3,288,366)	\$ 16,999,847
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	7,513,537	29,594,958
Provision for credit losses	451,067	1,258,397
Proceeds from non-refundable fees and deposits	6,773,851	43,356,557
Amortization of entrance fees	(6,502,441)	(25,868,381)
Unrealized loss (gain) on investments and change in fair value of funds held in trust by others	3,295,551	(11,137,716)
Realized loss (gain) on investments	10,829	(1,410,030)
Loss on sale of community and disposals of property and equipment	42,628	116,408
Contributions restricted for long-term purposes	(32,021)	(114,836)
Amortization of deferred financing costs	47,791	193,749
Amortization of bond premium	(98,585)	(399,903)
Amortization of bond discount	43,247	173,219
Amortization of goodwill	752,693	3,152,075
Changes in assets and liabilities		
Accounts receivable	(886,351)	(448,647)
Entrance fee receivable	1,271,946	(1,399,695)
Other assets	(888,050)	(3,483,085)
Accounts payable	(1,287,453)	1,228,479
Accrued expenses	(1,285,531)	(576,870)
Other liabilities	(125,809)	(297,272)
Net cash provided by operating activities	<u>5,808,534</u>	<u>50,937,253</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(4,599,375)	(31,274,594)
Purchases of investments	(13,305,720)	(49,718,141)
Proceeds from sale of investments	17,708,977	31,640,437
Due from affiliates, net	(354,696)	(73,118)
Net cash used in investing activities	<u>(550,813)</u>	<u>(49,425,415)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(1,323,407)	(5,481,378)
Proceeds from refundable entrance fees and deposits, resales	-	956,450
Principal payments on redemptions of long-term debt	(2,140,190)	(8,045,119)
(Repayments) borrowings on lines of credit	(3,642,951)	9,010,482
Contributions restricted for long-term purposes	32,021	114,836
Net cash used in financing activities	<u>(7,074,528)</u>	<u>(3,444,729)</u>
Net change in cash, cash equivalents and restricted cash	(1,816,808)	(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>\$ 58,273,634</u>	<u>\$ 60,090,442</u>
Cash and cash equivalents	\$ 2,204,012	\$ 4,020,820
Restricted cash in investments	56,069,622	56,069,622
Total cash, cash equivalents and restricted cash	<u>\$ 58,273,634</u>	<u>\$ 60,090,442</u>