Presbyterian Homes Obligated Group

Statements of Financial Position
September 30, 2026 and December 31, 2025

	September 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 4,000,958	$ 4,020,820
Investments	197,216,247	180,922,337
Statutory liquid reserve	14,223,561	13,875,035
Accounts receivable, net	14,380,762	15,517,096
Assets whose use is limited	12,017,697	20,064,312
Property and equipment, net	468,491,392	468,643,786
Due from affiliates, net	84,192,346	83,241,827
Funds held in trust by others	21,254,983	20,856,407
Goodwill	20,824,518	23,082,598
Other assets	10,867,403	9,753,138
Total assets	$ 847,469,866	$ 839,977,357
Liabilities and Net Assets		
Accounts payable	7,333,164	10,225,493
Accrued expenses	18,910,770	19,756,440
Lines of credit	12,766,554	15,316,959
Resident deposits	4,696,568	4,324,090
Entrance fees payable	16,817,033	15,170,341
Other liabilities	5,504,028	5,031,719
Long-term debt, senior living	326,015,589	333,219,905
Deferred revenue from entrance fees	179,430,113	176,102,056
Total liabilities	571,473,819	579,147,002
Net Assets		
Without donor restriction	244,172,444	229,980,564
With donor restriction	31,823,603	30,849,791
Total net assets	275,996,047	260,830,355
Total liabilities and net assets	$ 847,469,866	$ 839,977,357

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets
Period ended September 30, 2026 and year ended December 31, 2025

	September 30, 2026	December 31, 2025
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	$ 176,201,571	$ 226,685,716
Amortization of entrance fees	18,899,918	25,868,381
Total resident services	195,101,488	252,554,097
Contributions, gifts, grants and bequests	551,890	465,873
Other revenues	-	331,480
Net assets released from restrictions	250,156	1,177,176
Total operating revenues and other support	195,903,534	254,528,626
Expenses:		
Nursing services	53,737,828	68,793,171
Rehabilitation	7,666,766	9,883,702
Recreation and special services	4,084,643	4,704,795
Pharmacy	1,614,297	2,407,425
Social Services	856,325	1,054,728
Physician Services	245,905	361,549
Dining Services	23,932,088	28,987,954
Building operations and maintenance	28,757,448	37,398,909
Housekeeping	3,883,635	4,815,690
Laundry	1,016,335	1,295,490
Management and general	28,824,322	36,590,612
Employee Benefits	5,707,364	10,156,725
Interest	12,114,721	16,189,734
Depreciation	22,795,012	29,594,958
Amortization	2,258,080	3,152,075
Fundraising	472,503	664,499
Total expenses before non-recurring expenses	197,967,272	256,052,013
Operating loss before gains and losses	(2,063,738)	(1,523,387)
Loss on sale and disposal of property	(49,703)	(116,408)
Operating loss	(2,113,441)	(1,639,795)
Other income (loss):		
Investment income, net of investment expense	4,165,507	6,214,536
Realized (loss) gain on investments	(11,226)	1,410,030
Unrealized gain on investments	12,196,494	9,691,000
Loss on early extinguishment of debt	(45,454)	-
Total other income	16,305,320	17,315,566
Revenues in excess of expenses	14,191,879	15,675,771
Increase in net assets without donor restrictions	14,191,879	15,675,771

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets
Period ended September 30, 2026 and year ended December 31, 2025

	September 30, 2026	December 31, 2025
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	1,078,714	944,935
Investment income, net of investment expense	118,220	109,602
Unrealized gain on investments	27,035	1,446,716
Net assets released from restrictions	(250,156)	(1,177,176)
Increase in net assets with donor restrictions	973,813	1,324,076
Increase in net assets	15,165,692	16,999,847
Net Assets, Beginning	260,830,355	243,830,508
Net Assets, Ending	$ 275,996,047	$ 260,830,355

Presbyterian Homes Obligated Group

Statements of Cash Flows

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

	September 30, 2026	December 31, 2025
Cash Flows From Operating Activities		
Increase in net assets	$ 15,165,692	$ 16,999,847
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	22,795,012	29,594,958
Provision for credit losses	1,091,269	1,258,397
Proceeds from non-refundable fees and deposits	26,355,853	43,356,557
Amortization of entrance fees	(18,899,918)	(25,868,381)
Loss on early extinguishment of debt	45,454	-
Unrealized gain on investments and change in fair value of funds held in trust by others	(12,223,529)	(11,137,716)
Realized loss (gain) on investments	11,226	(1,410,030)
Loss on sale of community and disposals of property and equipment	49,703	116,408
Contributions restricted for long-term purposes	(350,910)	(114,836)
Amortization of deferred financing costs	143,855	193,749
Amortization of bond premium	(264,100)	(399,903)
Amortization of bond discount	98,088	173,219
Amortization of goodwill	2,258,080	3,152,075
Changes in assets and liabilities		
Accounts receivable	(1,037,143)	(448,647)
Entrance fee receivable	1,082,208	(1,399,695)
Other assets	(1,114,265)	(3,483,085)
Accounts payable	(2,892,329)	1,228,479
Accrued expenses	(845,670)	(576,870)
Other liabilities	472,309	(297,272)
Net cash provided by operating activities	31,940,887	50,937,253
Cash Flows From Investing Activities		
Acquisition of property and equipment	(22,692,321)	(31,274,594)
Purchases of investments	(29,250,257)	(49,718,141)
Proceeds from sale of investments	32,468,163	31,640,437
Due from affiliates, net	(950,518)	(73,118)
Net cash used in investing activities	(20,424,933)	(49,425,415)
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(2,861,741)	(5,481,378)
Proceeds from refundable entrance fees and deposits, resales	753,032	956,450
Principal payments on redemptions of long-term debt	(7,151,113)	(8,045,119)
Proceeds from issuance of long-term debt	14,092,647	-
Early payoff of long-term debt	(14,092,647)	-
Financing costs paid	(76,500)	-
(Repayments) borrowings on lines of credit	(2,550,405)	9,010,482
Contributions restricted for long-term purposes	350,910	114,836
Net cash used in financing activities	(11,535,815)	(3,444,729)
Net change in cash, cash equivalents and restricted cash	(19,862)	(1,932,891)
Cash, cash equivalents and restricted cash, beginning	60,090,442	62,023,333
Cash, cash equivalents and restricted cash, ending	$ 60,070,580	$ 60,090,442
Cash and cash equivalents	$ 4,000,958	$ 4,020,820
Restricted cash in investments	56,069,622	56,069,622
Total cash, cash equivalents and restricted cash	$ 60,070,580	$ 60,090,442