

Presbyterian Homes Obligated Group

Statements of Financial Position

October 31, 2025 and December 31, 2024

	October 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 1,462,698	\$ 10,578,204
Investments	160,479,368	138,141,276
Statutory Liquid Reserve	14,341,456	13,786,571
Accounts receivable, net	15,040,606	14,927,150
Assets whose use is limited	20,281,457	28,586,815
Property and equipment, net	467,750,673	467,080,558
Due from affiliates, net	85,974,657	83,168,709
Funds held in trust by others	21,505,521	19,953,487
Goodwill	23,584,394	26,234,673
Other assets	12,150,927	6,270,053
Total assets	<u>\$ 822,571,757</u>	<u>\$ 808,727,497</u>
Liabilities and Net Assets		
Accounts Payable	6,234,725	\$ 8,997,014
Accrued expenses	17,875,928	20,333,310
Lines of credit	8,051,228	6,306,477
Resident deposits	5,247,790	3,457,092
Entrance fees payable	11,375,809	12,586,800
Other liabilities	3,500,288	5,328,990
Long-term debt, senior living	333,917,733	341,297,959
Deferred revenue from entrance fees	174,631,350	166,589,346
Total liabilities	<u>560,834,850</u>	<u>564,896,989</u>
Net Assets		
Without donor restriction	229,766,857	214,304,793
With donor restriction	31,970,050	29,525,714
Total net assets	<u>261,736,908</u>	<u>243,830,508</u>
Total liabilities and net assets	<u>\$ 822,571,757</u>	<u>\$ 808,727,497</u>

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

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

	October 31, 2025	December 31, 2024
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 188,604,769	\$ 224,505,886
Amortization of entrance fees	21,829,640	21,874,608
Total resident services	210,434,409	246,380,494
Contributions, gifts, grants and bequests	470,059	1,654,571
Government stimulus	-	721,577
Net assets released from restrictions	355,780	515,541
Total operating revenues and other support	211,260,249	249,272,183
Expenses:		
Nursing services	57,373,753	70,290,259
Rehabilitation	8,268,304	9,992,857
Recreation and special services	3,889,005	4,520,390
Pharmacy	2,221,683	2,429,238
Social Services	872,907	1,003,338
Physician Services	300,674	365,104
Dining Services	23,928,082	28,057,276
Building operations and maintenance	30,294,864	33,932,112
Housekeeping	4,004,681	4,459,200
Laundry	1,065,170	1,398,386
Management and general	30,476,914	35,638,778
Employee Benefits	9,965,132	12,362,249
Interest	13,508,132	16,474,519
Depreciation	24,322,281	26,811,272
Amortization	2,650,279	3,293,375
Fundraising	486,866	560,098
Total expenses before non-recurring expenses	213,628,727	251,588,453
Operating loss before gains and losses	(2,368,478)	(2,316,270)
(Loss) gain on sale and disposal of property	(142,772)	426,830
Loss on impairment of asset	-	(102,723)
Operating loss	(2,511,250)	(1,992,163)
Other income:		
Investment income, net of investment expense	4,640,616	6,162,347
Realized (loss) gain on investments	(311,566)	1,034,003
Unrealized gain on investments	13,644,264	6,737,553
Total other income	17,973,314	13,933,902
Revenues in excess of expenses	15,462,064	11,941,739
Increase in net assets without donor restrictions	15,462,064	11,941,739

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Statements of Operations and Changes in Net Assets

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

	<u>October 31, 2025</u>	<u>December 31, 2024</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	662,532	913,463
Investment income, net of investment expense	71,534	70,449
Unrealized gain on investments	2,066,050	1,410,235
Net assets released from restrictions	<u>(355,780)</u>	<u>(515,541)</u>
Increase in net assets with donor restrictions	<u>2,444,336</u>	<u>1,878,605</u>
Increase in net assets	17,906,400	13,820,344
Net Assets, Beginning	<u>243,830,508</u>	<u>230,010,163</u>
Net Assets, Ending	<u><u>\$ 261,736,908</u></u>	<u><u>\$ 243,830,508</u></u>

Presbyterian Homes Obligated Group

Statements of Cash Flows

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

	October 31, 2025	December 31, 2024
Cash Flows From Operating Activities		
Increase in net assets	\$ 17,906,400	\$ 13,820,344
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	24,322,281	26,811,272
Provision for doubtful collections	967,604	1,717,937
Proceeds from non-refundable fees and deposits	34,048,219	36,694,775
Amortization of entrance fees	(21,829,640)	(21,874,608)
Unrealized gain on investments and change in fair value of funds held in trust by others	(15,710,314)	(8,147,787)
Realized loss (gain) on investments	311,566	(1,034,003)
Loss (gain) on sale of community and disposals of property and equipment	142,772	(426,830)
Contributions restricted for long-term purposes	(64,366)	(93,391)
Amortization of deferred financing costs	161,888	236,120
Amortization of bond premium	(333,252)	(457,028)
Amortization of bond discount	144,349	173,255
Amortization of goodwill	2,650,279	3,293,375
Loss on impairment of asset	-	102,723
Changes in assets and liabilities		
Accounts receivable	(1,079,411)	(577,759)
Entrance fee receivable	(1,649)	(833,361)
Other assets	(5,880,874)	(1,166,392)
Accounts payable	(2,762,289)	(2,199,867)
Accrued expenses	(2,457,382)	(282,557)
Other liabilities	(1,828,702)	1,315,133
Net cash provided by operating activities	28,707,479	47,071,352
Cash Flows From Investing Activities		
Acquisition of property and equipment	(25,135,167)	(35,101,456)
Proceeds from sale of property and equipment	-	5,600,000
Purchases of investments	(28,668,359)	(31,465,190)
Proceeds from sale of investments	27,927,454	29,052,366
Due from affiliates, net	(2,805,948)	2,938,870
Net cash used in investing activities	(28,682,020)	(28,975,410)
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(3,786,470)	(6,063,266)
Proceeds from refundable entrance fees and deposits, resales	189,600	893,355
Proceeds from refundable entrance fees and deposits, new units	-	4,892,813
Principal payments on redemptions of long-term debt	(7,353,212)	(9,495,803)
Financing costs paid	-	(99,585)
Borrowings (repayments) on lines of credit	1,744,750	(10,443,523)
Contributions restricted for long-term purposes	64,366	93,391
Net cash used in financing activities	(9,140,965)	(20,222,618)
Net change in cash, cash equivalents and restricted cash	(9,115,506)	(2,126,676)
Cash, cash equivalents and restricted cash, beginning	62,023,333	64,150,009
Cash, cash equivalents and restricted cash, ending	\$ 52,907,827	\$ 62,023,333
Cash and cash equivalents	\$ 1,462,698	\$ 10,578,204
Restricted cash in investments	51,445,129	51,445,129
Total cash, cash equivalents and restricted cash	\$ 52,907,827	\$ 62,023,333