Tandem Living and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

June 30, 2026 and 2025

Tandem Living and Subsidiaries

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June 30, 2026 and 2025

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Independent Auditors' Report

To the Board of Directors of
Tandem Living and Subsidiaries

Opinion

We have audited the consolidated financial statements of Tandem Living and Subsidiaries (the Corporation), which comprise the consolidated balance sheets as of June 30, 2026 and 2025, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of June 30, 2026 and 2025, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information as identified in the table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

Philadelphia, Pennsylvania
October 15, 2026

Tandem Living and Subsidiaries

Consolidated Balance Sheets
June 30, 2026 and 2025

	2026	2025
Assets		
Current Assets		
Cash and cash equivalents	$ 12,121,796	$ 17,816,349
Resident trust funds	27,041	29,747
Assets whose use is limited:		
Board-designated	2,725,178	2,640,232
Insurance trust funds	355,148	322,344
Accounts receivable, residents, net	1,895,760	1,816,360
Accounts receivable, entrance fees	1,433,202	550,292
Prepaid expenses and other current assets	1,555,856	1,718,288
Total current assets	20,113,981	24,893,612
Assets Whose Use is Limited		
Board-designated	86,952,345	56,824,177
Statutory minimum liquid reserve	3,831,600	3,823,000
Insurance trust funds	851,450	139,458
Entrance fee escrow	923,824	576,703
Long-Term Investments	3,095,495	2,762,212
Property and Equipment, Net	192,223,023	194,594,150
Other Assets	329,470	320,840
Beneficial Interest in Perpetual Trusts	-	7,640,800
Derivative Financial Instruments	696,080	628,169
Total assets	$ 309,017,268	$ 292,203,121

	2026	2025
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	$ 2,725,178	$ 2,640,232
Accounts payable:		
Trade	2,059,715	1,642,607
Capital	359,790	1,040,257
Accrued expenses	3,751,872	3,387,153
Resident trust funds	27,041	29,747
Total current liabilities	8,923,596	8,739,996
Long-Term Debt, Net	52,516,181	55,153,729
Refundable Fees and Deposits	31,009,103	32,734,810
Deferred Revenues From Entrance Fees	84,983,179	81,930,170
Split-Interest Obligations	358,718	407,362
Total liabilities	177,790,777	178,966,067
Net Assets		
Without donor restrictions	129,012,437	103,469,426
With donor restrictions	2,214,054	9,767,628
Total net assets	131,226,491	113,237,054
Total liabilities and net assets	$ 309,017,268	$ 292,203,121

See notes to consolidated financial statements

Tandem Living and Subsidiaries

Consolidated Statements of Operations
Years Ended June 30, 2026 and 2025

	2026	2025
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Net resident service revenues	$ 70,323,490	$ 63,964,310
Other revenues	1,108,986	1,004,185
Employee Retention Credit revenue	2,781,509	2,394,370
Total revenues	74,213,985	67,362,865
Expenses:		
Healthcare	18,044,171	18,342,590
Depreciation	12,565,062	11,654,338
Plant operations	10,500,342	9,497,121
General and administrative	9,181,784	9,384,979
Food service	8,690,989	8,062,771
Housekeeping and laundry	2,970,902	2,837,614
Social services and activities	2,247,333	1,883,209
Interest	2,185,113	1,874,870
Pennsylvania nursing home assessment	424,327	389,629
Provision for credit losses	212,950	183,419
Total expenses	67,022,973	64,110,540
Operating income	7,191,012	3,252,325
Other income (loss):		
Inherent contribution received in affiliation	-	21,387,588
Investment income	8,968,255	7,747,629
Contributions	1,051,829	959,405
Perpetual trust released from restriction	8,238,729	-
Impairment loss	-	(5,734,347)
Change in fair value of derivative financial instruments	67,911	(971,143)
Revenues in excess of expenses	$ 25,517,736	$ 26,641,457

See notes to consolidated financial statements

Tandem Living and Subsidiaries

Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2026 and 2025

	2026	2025
Net Assets Without Donor Restrictions		
Revenues in excess of expenses	$ 25,517,736	$ 26,641,457
Net assets released from restrictions used for capital expenditures	25,275	74,064
Increase in net assets without donor restrictions	25,543,011	26,715,521
Net Assets With Donor Restrictions		
Contributions	18,333	76,571
Change in value of split-interest agreements	94,168	46,417
Valuation gain, beneficial interest in perpetual trusts	597,929	627,191
Net assets released from restrictions		
Perpetual trust released from restriction	(8,238,729)	-
Used for capital expenditures	(25,275)	(74,064)
(Decrease) increase in net assets with donor restrictions	(7,553,574)	676,115
Increase in net assets	17,989,437	27,391,636
Net Assets, Beginning	113,237,054	85,845,418
Net Assets, Ending	$ 131,226,491	$ 113,237,054

See notes to consolidated financial statements

Tandem Living and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows From Operating Activities		
Increase in net assets	$ 17,989,437	$ 27,391,636
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Inherent contribution received in affiliation	-	(21,387,588)
Depreciation	12,565,062	11,654,338
Impairment loss	-	5,734,347
Amortization of deferred financing costs	47,100	38,210
Proceeds from entrance fees, resales	16,737,389	12,463,661
Change in entrance fee deposits	1,041,980	(1,800,948)
Amortization of entrance fees	(14,009,060)	(12,274,020)
Provision for credit losses	212,950	183,419
Net realized and unrealized gain on investments	(7,014,201)	(5,813,611)
Change in fair value of derivative financial instruments	(67,911)	971,143
Change in value and payments of split-interest agreements, net	(48,644)	(22,403)
Valuation gain, beneficial interest in perpetual trusts	(597,929)	(627,191)
Perpetual trust released from restriction	8,238,729	-
Changes in assets and liabilities:		
Accounts receivable	(292,350)	982,768
Other assets	(8,630)	16,347
Prepaid expenses and other current assets	162,432	(394,463)
Accounts payable	417,108	(87,362)
Accrued expenses and other liabilities	364,719	(493,127)
Resident trust funds	(2,706)	6,804
Net cash provided by operating activities	35,735,475	16,541,960
Cash Flows From Investing Activities		
Cash, cash equivalents and restricted cash and cash equivalents received in affiliation	-	974,614
Purchases of property and equipment	(10,874,402)	(25,977,791)
(Purchases) sales of investments	(23,540,796)	1,399,227
Net cash used in investing activities	(34,415,198)	(23,603,950)
Cash Flows From Financing Activities		
Proceeds from construction loan	-	5,037,970
Payment of construction loan	-	(5,034,970)
Proceeds from long-term debt	-	9,944,413
Payment of long-term debt	(2,599,702)	(6,456,847)
Refunds of entrance fees	(7,381,253)	(5,340,095)
Proceeds from refundable entrance fees, resales	4,055,336	1,585,073
Proceeds from entrance fees, new units	-	13,857,779
Net cash (used in) provided by financing activities	(5,925,619)	13,590,323
Net change in cash, cash equivalents and restricted cash and cash equivalents	(4,605,342)	6,528,333
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	18,884,601	12,356,268
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 14,279,259	$ 18,884,601

See notes to consolidated financial statements

Tandem Living and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amount capitalized	$ 2,161,620	$ 1,240,353
Noncash Investing and Financing Activities		
Obligations incurred for the acquisition of property and equipment	$ 359,790	$ 1,040,257
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents to Consolidated Balance Sheets		
Cash and cash equivalents	$ 12,121,796	$ 17,816,349
Resident trust funds	27,041	29,747
Assets whose use is limited:		
Insurance trust funds	1,206,598	461,802
Entrance fee escrow	923,824	576,703
Total cash, cash equivalents and restricted cash and cash equivalents	$ 14,279,259	$ 18,884,601

See notes to consolidated financial statements

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Tandem Living is a not-for-profit corporation providing housing, health care and related services to older residents through the operation of nursing facilities, personal care units and residential living units through its controlled subsidiaries. Tandem Living is the parent organization and sole member of The Mennonite Home (TMH) and Calvary Fellowship Homes, Inc. (CFH).

The Mennonite Home

TMH is a not-for-profit corporation that operates a continuing care retirement community in Lancaster, Pennsylvania. TMH operates a nursing facility with 160 licensed beds, 85 licensed personal care units and 569 independent living units (403 apartments and 166 villas). The nursing facility and personal care units are located on TMH's Trillium Place campus, while the independent living units are located on TMH's Woodcrest Villa campus.

Calvary Fellowship Homes, Inc.

CFH is a not-for-profit corporation that operates a continuing care retirement community in Lancaster, Pennsylvania. CFH operates 218 independent living units (72 apartments and 146 cottages). During July and August 2024, residents of CFH's skilled nursing facility and personal care were relocated to TMH's Trillium Place campus. CFH signed a management agreement with TMH as the sole and exclusive manager of the daily operations along with skilled nursing and personal care services effective August 1, 2024.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Tandem Living and its controlled subsidiaries described above (collectively, the Corporation). All significant intercompany transactions and balances have been eliminated.

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

Cash and cash equivalents include interest bearing investments in highly liquid debt instruments purchased with an original maturity of three months or less, excluding resident trust funds, long-term investments and assets whose use is limited.

For purposes of the consolidated statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents include investments purchased with an initial maturity of three months or less including resident trust funds, insurance trust funds and entrance fee escrows.

Accounts Receivable

The Corporation assesses collectability on all resident accounts prior to providing services. Accounts receivable are reported net of an allowance for credit losses to present the Corporation's estimate of expected losses as of the consolidated balance sheets date. The adequacy of the Corporation's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analysis of receivables portfolios by payor source and aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends and adjustments are made to the allowance as necessary. The allowance for credit losses is estimated based upon a periodic review of individual accounts and was $178,600 and $280,000 at June 30, 2026 and 2025, respectively. The accounts receivable balance was $2,224,000 at June 30, 2024.

Entrance fee receivables are evaluated for collectability prior to residents being admitted to the community based on the resident's credit worthiness. The terms and conditions of each entrance fee receivable are determined when a resident agreement is executed.

Investments and Investment Risk

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. The fair value of substantially all securities is determined by quoted market prices. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The Corporation's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the consolidated balance sheets are subject to various risks, including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the consolidated balance sheets could change materially in the near term.

Assets Whose Use is Limited

Assets whose use is limited includes assets set aside by the Board of Directors which are available for the general use and purposes of the Corporation, including principal payments on long-term debt, assets designated to meet the statutory minimum liquid reserve requirements of Section 9 of the Commonwealth of Pennsylvania's Continuing Care Provider Registration and Disclosure Act (Act 82), entrance fees and assets restricted under a workers' compensation trust agreement and insurance trust funds. Amounts available to meet current liabilities of the Corporation have been classified as current assets in the consolidated balance sheets.

Long-Term Investments

Long-term investments primarily include assets to be held by the Corporation in perpetuity and assets whose use by the Corporation has been limited by donors to specific time periods or purposes.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method based upon the estimated useful lives of the assets. The Corporation's policy is to capitalize fixed assets in excess of $750. The Corporation capitalizes interest expense as a component of the cost of property and equipment constructed for its own use.

Gifts of long-lived assets such as land, buildings or equipment are reported as contributions to net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Property and equipment are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If expected cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets. As described in Note 1, CFH transferred its skilled nursing and personal care operations to Trillium place during 2025. As a result, the related buildings are no longer in use and an impairment loss of $5,734,347 was recognized in the accompanying consolidated statement of operations during 2025.

Deferred Financing Costs

The deferred financing costs incurred in connection with the issuance of, and the renewal of letters of credit related to, long-term debt have been deferred and are amortized over the terms of the related debt and letter of credit agreements using the straight-line method, which approximates the effective interest method. Amortization expense, which is included as a component of interest expense, was $47,100 and $38,210 in 2026 and 2025, respectively.

Resident Trust Funds

Resident funds are accounted for as trust funds and are maintained separate from other funds.

Entrance Fees

Under certain entrance fee plans for independent living units, the Corporation receives payments in advance. Residents have several entrance plan options, "refundable" options and a "nonrefundable" option.

TMH refundable options have a guaranteed refund component, which ranges from 25% to 90% of the advance fee paid with the balance, if any, refundable on a decreasing basis for five years for the 25% option and immediately refundable for the 90% option. The nonrefundable option has no guaranteed refund component and is refundable on a decreasing basis for three years. All refunds to residents are paid at the time of resale of the independent living unit by the Corporation, but not later than one year after termination of the resident agreement. The amount of any refund due under current agreements are generally calculated and paid based on the date the unit vacated is occupied by a new resident or one year after termination of the Agreements, whichever occurs first.

CFH's entrance fee contracts generally have no guaranteed refund component and are refundable on a decreasing basis for four years. Agreements entered into subsequent to August 2023 are refundable on a decreasing basis for three years. Entrance fees are generally refundable on a decreasing basis for two years in the event of a resident's death. The amount of any refund due under current agreements is generally calculated and paid based on the date the unit vacated is occupied by a new resident or one year after termination of the Agreements, whichever occurs first.

The guaranteed refund component of advance fees received is not amortized to income and is classified as refundable fees and deposits in the consolidated balance sheets. The balance of advance fees received is amortized to income using the straight-line method over the annually adjusted estimated remaining life expectancies of the residents and is classified as deferred revenues from entrance fees in the consolidated balance sheets. At June 30, 2026, the Corporation's gross amount of contractual refund obligations under existing resident agreements approximates $57,132,000.

The majority of services provided to the Corporation's independent living residents are paid for on a "fee-for-service" basis and are not included under the entrance fee plans.

Split-Interest Agreements

The Corporation has received as contributions various types of split-interest agreements, including charitable gift annuities, charitable remainder trusts and perpetual trusts.

Under the charitable gift annuity arrangements, the Corporation has recorded the assets at fair value and the liabilities to the donor or their beneficiaries at the present value of the estimated future payments to be distributed by the Corporation to such individuals. The amount of the contribution is the difference between the asset and the liability and is recorded as contributions to net assets without donor restrictions, unless otherwise restricted by the donor.

Under the charitable remainder trust arrangements, the Corporation serves as trustee and has recorded the assets at fair value and the liabilities to the donor or their beneficiaries at the present value of the estimated future payments to be distributed by the Corporation to such individuals. The amount of the contribution is the difference between the asset and the liability and is recorded as contributions to net assets with donor restrictions. Subsequent changes in fair value for charitable remainder trusts are recorded as a change in value of split-interest agreements in the net assets with donor restrictions class.

The Corporation has also received as contributions charitable gift annuities through the Mennonite Foundation (the Foundation). These arrangements represent contracts between the Foundation and the donors. Donors transfer cash or investments to the Foundation and, in turn, receive periodic distributions from the Foundation. The contributions received by the Corporation are the unconditional rights to receive the remainder interest of the gift annuities. The amount of the contribution is the difference between the asset received by the Foundation and the present value of the estimated future payments to be distributed by the Foundation to the annuitants. These contributions are recorded as contributions to net assets with donor restrictions, in accordance with donor restrictions. The assets are included in other assets on the consolidated balance sheets.

Under the perpetual trust arrangement, the Corporation has recorded the asset and has recognized a contribution to net assets with donor restrictions at the fair market value of the Corporation's beneficial interest in the trust assets. Income earned on the trust assets and distributed to the Corporation is recorded as investment income in the consolidated statements of operations, unless otherwise restricted by the donor. Subsequent changes in fair value are recorded as valuation gain, beneficial interest in perpetual trusts in the net assets with donor restrictions class. The perpetual trust was released from restriction during 2026 (Note 10).

Derivative Financial Instruments

The Corporation entered into interest rate swap agreements, which are considered derivative financial instruments, to manage the variable rate interest payments due on its long-term debt (Note 7). The interest rate swap agreements are reported at fair value and classified as derivative financial instruments in the consolidated balance sheets. Related changes in fair value are reported in the consolidated statements of operations.

Net Assets

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors and donor-restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that may be met either by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Benevolent Care

TMH and CFH provide services to residents who meet certain criteria at amounts less than its cost of providing services and/or care. TMH and CFH maintain records to identify and monitor the level of benevolent care it provides. The costs associated with the benevolent care services provided to personal care and independent residents include both direct costs and estimated indirect costs, as calculated by management. The level of benevolent care provided by TMH and CFH, which represents the difference between the estimated cost of providing services and/or care and the payments received for services rendered, was approximately $885,786 and $419,436 for TMH and CFH, respectively, in 2026. In 2025, the difference between the estimated cost of providing services and/or care and the payments received for services rendered, was approximately $1,827,000 and $105,000 for TMH and CFH, respectively, in 2025.

Net Resident Service Revenues

Net resident service revenues are reported at the amount that reflects the consideration the Corporation expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Net resident service revenues are recognized as performance obligations are satisfied.

Net resident service revenues are primarily comprised of skilled nursing, personal care and independent living revenue streams, which are primarily derived from providing housing, skilled nursing, personal care and independent living services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. The Corporation has determined that the services included in the stated daily or monthly fee for each level of care represents a series of distinct services that have the same timing and pattern of transfer. Therefore, the Corporation considers the services provided to residents in each level of care to be one performance obligation which is satisfied over time as services are provided. As such, skilled nursing, personal care and independent living revenues are recognized on a daily or month-to-month basis as services are rendered.

The guaranteed refund component of entrance fees is not amortized to income and is classified as refundable fees and deposits in the accompanying consolidated balance sheets.

Revenue from nonrefundable entrance fees received are recognized through amortization of the nonrefundable entrance fee using the straight-line method over annually adjusted estimated remaining length of stay in independent living of the residents which approximates the period of time the goods and services under the agreements are expected to be transferred to residents. The unamortized portion is classified as deferred revenues from entrance fees in the consolidated balance sheets. Amortization of nonrefundable entrance fees included in net resident service revenues was $14,009,060 and $12,274,020 in 2026 and 2025, respectively. During 2025, TMH changed its amortization method assumptions to include updated historical data. The effect of the change in estimate increased amortization of entrance fees by approximately $1,606,000 during 2025.

The Corporation receives revenue for services under third-party payor programs, including Medicare, Medical Assistance and other third-party payors. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. The Corporation estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends, and retroactive adjustments are recognized in future periods as final settlements are determined. There were no material settlements related to prior years during 2026 and 2025.

Contract Balances

Contract assets represent the Corporation's right to consideration in exchange for goods or services that the Corporation has transferred to a resident when that right is conditioned on something other than the passage of time (for example, the Corporation's future performance). Contract liabilities represent the Corporation's obligation to transfer goods or services to a resident for which the Corporation has received consideration (or the amount is due) from the resident.

The Corporation's beginning and ending contract liabilities are separately presented on the consolidated balance sheets as of June 30, 2026. The Corporation had contract liabilities in deferred revenue from entrance fees of $53,243,764 as of June 30, 2024. The Corporation had no contract assets as of June 30, 2026, 2025 and 2024.

Income Taxes

Tandem Living, TMH and CFH are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from federal income taxes on its exempt income under Section 501(a) of the IRC.

The Corporation accounts for uncertainty in income taxes by prescribing a recognition threshold of more likely than not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. Management determined that there were no tax uncertainties that met the recognition threshold in 2026 and 2025.

Employee Retention Credit

The Employee Retention Credit (ERC), which was included as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and amended by the Consolidated Appropriations Act (CAA), the American Rescue Plan Act (ARPA) and the Infrastructure Investment and Jobs Act (IIJA), incentivized employers severely impacted by the COVID-19 pandemic to retain their employees when they might otherwise find it difficult to do so. The fully refundable tax credit was allowed against the employer's share of employment taxes for qualified wages paid after March 12, 2020 and before October 1, 2021. Credits in excess of the tax amounts paid by an employer are treated as overpayments and are also refunded to the employer. The ERC is calculated as a percentage of qualified wages (as defined in the CARES Act, as amended) paid by an eligible employer.

TMH and CFH each averaged more than 100 full-time employees (FTEs), but less than 500 FTEs, during 2019. Therefore, TMH and CFH were considered large employers during 2020 and small employers during 2021. As a large employer in 2020, only wages paid to employees not providing services were eligible for the ERC, while as a small employer in 2021, all of TMH's and CFH's otherwise qualified wages were eligible. For 2020, the ERC equaled 50% of an employee's qualified wages up to $10,000 per employee per calendar quarter with a maximum annual credit for each employee of $5,000. For 2021, the ERC equaled 70% of an employee's qualified wages up to $10,000 per employee per calendar quarter with a maximum annual credit of $21,000 for each employee.

CFH and TMH applied for and received credits under the ERC and accounted for this federal funding in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605 for conditional contributions, and accordingly, revenues are measured and recognized when barriers are substantially met. Management believes that it qualifies for the ERC under the partial suspension provisions. However, given the subjectivity in the eligibility assessment, CFH and TMH did not recognize the ERC funds as revenue until the barriers were substantially met, or the statute of limitations expired.

CFH applied for and received credits totaling $2,394,370 during 2024 for the quarters ending March 31, 2021 and June 30, 2021. During 2025, the statute of limitations expired for the quarters ending March 31, 2021 and June 30, 2021, and accordingly, CFH recognized Employee Retention Credit revenue of $2,394,370 in the 2025 consolidated statements of operations.

TMH applied for credits totaling $2,781,509 during 2025 for the quarter ending June 30, 2021. In 2026, ERC funds were received and recognized of $2,781,509 in the 2026 consolidated statement of operations as the statute of limitations had previously expired.

Revenues in Excess of Expenses

The consolidated statements of operations include the determination of revenues in excess of expenses. Changes in net assets without donor restrictions which are excluded from the determination of revenues in excess of expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through October 15, 2026, the date the consolidated financial statements were available to be issued.

2. Transfer of Membership

Effective August 1, 2024, Tandem Living became the sole member of CFH as described in Note 1. CFH remained a separate not-for-profit organization. The affiliation was consummated to enhance operational scale and synergies from combining healthcare and personal care operations described in Note 1. In connection with the affiliation, CFH entered into a management agreement with Tandem Living. There were no amounts of consideration transferred to execute the affiliation.

The recognized amounts of identifiable assets acquired and liabilities assumed at the date of affiliation were as follows:

Cash and cash equivalents	$ 954,856
Resident trust funds	16,365
Accounts receivable, residents, net	758,643
Accounts receivable, entrance fees	184,950
Assets whose use is limited, Board-designated	7,785,155
Assets whose use is limited, insurance trust funds	3,393
Prepaid expenses and other current assets	535,270
Property and equipment	46,148,130
Other assets	100,000
Current maturities of long-term debt	(544,273)
Accounts payable, trade	(668,354)
Accrued expenses	(1,073,369)
Resident trust funds	(17,751)
Long-term debt, net	(14,901,917)
Refundable fees and deposits	(108,754)
Deferred revenue from entrance fees	(17,492,138)
Split-interest obligations	(292,618)
Inherent contribution	(21,387,588)
Total	$ -

The affiliation was accounted for as a business combination which requires the transaction to be accounted for under the acquisition method of accounting. The carrying amounts of cash and cash equivalents, accounts receivable and other receivables, prepaid expenses, inventory and deposits, other assets and accounts payable and accrued expenses approximated fair value as of the acquisition date due to the short-term nature of these amounts. Investments were recorded at fair value. The fair value of CFH's property and equipment as of the acquisition date was based on an independent third-party appraisal. Refundable fees and deposits were deemed immaterial and it was concluded by management that the fair value approximated the carrying value. The deferred revenue from entrance fees assumed as part of the transaction represents contract liabilities for performance obligations outstanding and were recognized in accordance with FASB Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as of the acquisition date. The deferred revenue from entrance fee balances are deemed to be contract liabilities and were recognized at carrying value in accordance with FASB ASU No. 2021-08, *Business Combinations (Topic 805)*. The fair value of the CFH's long-term indebtedness as of the acquisition date was recorded at the historical carrying value which approximates its fair value. The terms of the long-term indebtedness for CFH are more fully described in Note 7. CFH recorded an inherent contribution totaling $21,387,588, which represents the excess of the acquisition date fair values of the identifiable assets acquired over the acquisition date fair values of the liabilities assumed.

3. Liquidity and Availability of Resources

The following table reflects the Corporation's financial assets available for general expenditures within one
year of June 30:

	2026	2025
Cash and cash equivalents	$ 12,121,796	$ 17,816,349
Accounts receivable, residents, net	1,895,760	1,816,360
Accounts receivable, entrance fees	1,433,202	550,292
Board-designated assets whose use is limited	89,677,523	59,464,409
Total	$ 105,128,281	$ 79,647,410

The Corporation has certain Board-designated assets limited to use which are available for general expenditures within one year in the normal course of operations. Accordingly, these assets have been included in the quantitative information above.

The Corporation has other assets limited to use for insurance trust funds, entrance fee escrow and other regulatory requirements. As stated in Note 4, the Corporation designated a portion of its investments as a statutory minimum liquid reserve to comply with the requirements of Act 82 and thus they are not included in the schedule above. Although the Corporation does not intend to utilize the Act 82 reserves for general expenditures as part of its annual budget and approval process, amounts designated as Act 82 reserves could be made available as necessary. The Act 82 reserves are separately classified in the consolidated balance sheets and do not have third-party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

As part of the Corporation's liquidity management plan, cash in excess of daily requirements are invested in short-term investments and money market funds. These funds may be drawn upon, if necessary, to meet unexpected liquidity needs.

4. Fair Value Measurements, Investments and Other Financial Instruments

Fair Value Measurements

For financial instruments required to be measured at fair value on a recurring basis, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using a hierarchy prioritizing the inputs used in determining valuations into three levels. The level within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible to the Corporation for identical instruments.

Level 2 - Significant inputs, other than Level 1 inputs that are observable either directly or indirectly for substantially the full term of the instruments through corroboration with observable market data.

Level 3 - Significant unobservable inputs.

The following table presents financial instruments measured at fair value at June 30, 2026 and 2025, by caption on the consolidated balance sheets:

	2026			
	Total	**Level 1**	**Level 2**	**Level 3**
Reported at Fair Value				
Assets whose use is limited:				
Cash and cash equivalents**	$ 11,534,533			
U.S. government agency obligations	13,131,917	$ -	$ 13,131,917	$ -
Corporate bonds	8,144,705	-	8,144,705	-
International bonds	2,699,395	-	2,699,395	-
Marketable equity securities:				
International	1,643,382	1,643,382	-	-
Information technology	15,153,345	15,153,345	-	-
Financial	5,856,024	5,856,024	-	-
Healthcare	3,425,427	3,425,427	-	-
Industrials	2,132,966	2,132,966	-	-
Energy	1,351,336	1,351,336	-	-
Consumer discretionary	5,230,856	5,230,856	-	-
Consumer staples	2,191,010	2,191,010	-	-
Telecommunications	4,542,579	4,542,579	-	-
Materials	679,409	679,409	-	-
Utilities	936,888	936,888	-	-
Real estate	856,075	856,075	-	-
Mutual funds, equity:				
Domestic	2,838,316	2,838,316	-	-
International	10,856,167	10,856,167	-	-
Other	304,793	304,793	-	-
Total assets whose use is limited	93,509,123	57,998,573	23,976,017	-
Less statutory minimum liquid reserve	3,831,600			
Total assets whose use is limited, Board-designated	89,677,523			
Insurance trust funds:				
Cash and cash equivalents **	1,206,598			
Entrance fee escrow:				
Cash and cash equivalents **	923,824			

	2026			
	Total	**Level 1**	**Level 2**	**Level 3**
Long-term investments:				
Cash and cash equivalents **	$ 58,010			
U.S. government agency obligations	400,935	$ -	$ 400,935	$ -
Corporate bonds	214,888	-	214,888	-
International bonds	15,071	-	15,071	-
Marketable equity securities:				
International	62,020	62,020	-	-
Information technology	490,574	490,574	-	-
Financial	187,310	187,310	-	-
Healthcare	109,400	109,400	-	-
Industrials	66,220	66,220	-	-
Energy	40,410	40,410	-	-
Consumer discretionary	167,537	167,537	-	-
Consumer staples	71,317	71,317	-	-
Telecommunications	146,863	146,863	-	-
Miscellaneous	20,277	20,277	-	-
Real estate	27,596	27,596	-	-
Utilities	30,927	30,927	-	-
Mutual funds, equity	894,591	894,591	-	-
Mutual funds, fixed income	91,549	91,549	-	-
Total long-term investments	3,095,495	2,406,591	630,894	-
Derivative financial instruments	696,080	-	696,080	-
Total assets	$ 99,431,120	$ 60,405,164	$ 25,302,991	$ -

	2025			
	Total	**Level 1**	**Level 2**	**Level 3**
Reported at Fair Value				
Assets whose use is limited:				
Cash and cash equivalents**	$ 7,431,986			
U.S. government agency obligations	9,191,799	$ -	$ 9,191,799	$ -
Corporate bonds	4,744,111	-	4,744,111	-
International bonds	618,014	-	618,014	-
Marketable equity securities:				
International	1,475,966	1,475,966	-	-
Information technology	10,400,200	10,400,200	-	-
Financial	4,101,741	4,101,741	-	-
Healthcare	2,331,749	2,331,749	-	-
Industrials	1,715,538	1,715,538	-	-
Energy	884,040	884,040	-	-
Consumer discretionary	4,503,342	4,503,342	-	-
Consumer staples	2,152,163	2,152,163	-	-
Telecommunications	2,367,977	2,367,977	-	-
Materials	513,010	513,010	-	-
Utilities	681,559	681,559	-	-
Real estate	710,498	710,498	-	-
Mutual funds, equity:				
Domestic	8,355,162	8,355,162	-	-
International	503,808	503,808	-	-
Other	235,296	235,296	-	-
Mutual funds, fixed income	297,216	297,216	-	-
Other	72,234	72,234	-	-
Total assets whose use is limited	63,287,409	41,301,499	14,553,924	-
Less statutory minimum liquid reserve	3,823,000			
Total assets whose use is limited, Board-designated	59,464,409			
Insurance trust funds:				
Cash and cash equivalents **	461,802			
Entrance fee escrow:				
Cash and cash equivalents **	576,703			

	2025			
	Total	**Level 1**	**Level 2**	**Level 3**
Long-term investments:				
Cash and cash equivalents **	$ 134,081			
U.S. government agency obligations	397,977	$ -	$ 397,977	$ -
Corporate bonds	170,488	-	170,488	-
International bonds	9,715	-	9,715	
Marketable equity securities:				-
International	56,164	56,164	-	-
Information technology	386,947	386,947	-	-
Financial	153,313	153,313	-	-
Healthcare	82,560	82,560	-	-
Industrials	62,737	62,737	-	-
Energy	33,093	33,093	-	-
Consumer discretionary	167,239	167,239	-	-
Consumer staples	80,313	80,313	-	-
Telecommunications	86,859	86,859	-	-
Miscellaneous	18,725	18,725	-	-
Real estate	27,198	27,198	-	-
Utilities	25,370	25,370	-	-
Mutual funds, equity	775,385	775,385	-	-
Mutual funds, fixed income	94,048	94,048	-	-
Total long-term investments	2,762,212	2,049,951	578,180	-
Beneficial interest in perpetual trusts	7,640,800	-	-	7,640,800
Derivative financial instruments	628,169	-	628,169	-
Total assets	$ 75,357,095	$ 43,351,450	$ 15,760,273	$ 7,640,800

** Cash and cash equivalents are presented in the table above in the total line to reconcile total assets whose use is limited and long-term investments to the consolidated balance sheets.

Valuation Methodologies

Assets whose use is limited and long-term investments are valued at fair value based on quoted market prices in active markets for marketable equity securities, mutual funds and other assets or estimated using quoted prices for similar securities for U.S. government agency obligations, corporate bonds and international bonds.

The beneficial interest in perpetual trust is valued at fair value based on the Corporation's interest in the fair values of the underlying assets, which approximate the present value of estimated future cash flows to be received from the trusts. The perpetual trust was released from restriction during 2026 (Note 10).

The Corporation measures its derivative financial instruments (interest rate swap agreements) at fair value using information provided by the counterparty to the agreements. The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the derivative financial instruments. The method used to determine the fair value calculates the estimated future payments required by the derivative financial instruments and discounts these payments using an appropriate discount rate. The value represents the estimated exit price the Corporation would be paid to terminate the agreements.

Derivatives

The Corporation entered into five interest rate swap agreements for the entire outstanding amounts of the 2007 Bonds (Swap #1), the 2017 Note (Swap #2), the 2014 Note (Swap #3), the 2018 Note (Swap #4) and the 2024 Loan (Swap #5); the agreements expire in November 2027, June 2026, September 2029, April 2030 and February 2031, respectively. The variable rate on the agreements is based on the Secured Overnight Financing Rate (SOFR) (3.68% and 4.45% at June 30, 2026 and 2025, respectively) and the fixed rate is 2.04%, 2.86%, 2.82%, 3.03% and 4.70% for Swap #1 and Swap #2, Swap #3, Swap #4 and Swap #5, respectively. Payments to or from the counterparty are classified as a component of interest expense. Changes in the fair value of the agreements are included in revenues in excess of expenses since the agreements are not designated as hedging instruments. The fair value of the swaps was an asset of $696,080 and $628,169 at June 30, 2026 and 2025, respectively, and is included in derivative financial instruments in the accompanying consolidated balance sheets. The change in the fair value of the agreements is classified as change in fair value of derivative financial instruments in the consolidated statements of operations and was $67,911 and $(971,143) in 2026 and 2025, respectively.

Statutory Liquid Reserves

In compliance with Act 82, the Board of Directors designated a portion of Board-designated assets whose use is limited to meet the requirements of Act 82. The designated funds amounted to approximately $2,618,000 for TMH and $1,213,600 for CFH at June 30, 2026. At June 30, 2026, the reserves were calculated as follows:

	TMH (Woodcrest Villa Campus)		CFH	
Budgeted operating expenses for independent living units for the year ending June 30, 2027	$ 26,303,000		$ 8,073,502	
Less budgeted depreciation expense	(8,478,000)		(1,942,000)	
Expenses subject to minimum liquid reserve requirement	17,825,000		6,131,502	
Statutory requirement	10%		10%	
Statutory minimum liquid reserve requirement (a)	$ 1,782,500	(a)	$ 613,150	(a)
Debt service requirements for the year ending June 30, 2027 on long-term debt related to independent living units:				
Principal payments	$ 2,172,068		$ 593,587	
Estimated interest, letter of credit fees and remarketing fees	445,932		620,013	
Total (b)	$ 2,618,000	(b)	$ 1,213,600	(b)
Greater of (a) or (b) above	$ 2,618,000		$ 1,213,600	

Investment Income

Investment income without donor restrictions is comprised of the following as of June 30, 2026 and 2025:

	2026	2025
Interest and dividend income	$ 2,186,979	$ 2,179,503
Net realized gain on sales of investments	1,782,532	2,107,219
Net unrealized gain on investments	5,231,669	3,706,394
Investment advisory fees	(232,925)	(245,487)
	$ 8,968,255	$ 7,747,629

5. Property and Equipment, Net

Property and equipment, net is as follows as of June 30, 2026 and 2025:

	2026	2025
Land	$ 12,166,814	$ 12,166,814
Land improvements	15,398,507	15,859,536
Buildings and building improvements	245,985,053	242,293,430
Furniture and equipment	31,429,771	30,140,331
	304,980,145	300,460,111
Less accumulated depreciation	113,770,018	108,941,603
	191,210,127	191,518,508
Construction-in-progress	1,012,896	3,075,642
Property and equipment, net	$ 192,223,023	$ 194,594,150

Construction-in-progress at June 30, 2026 and 2025 includes expenditures related to various renovations and costs associated with current and future construction projects. The Corporation has entered into construction contracts totaling approximately $1,425,812. Costs incurred through June 30, 2026 were $196,123. During 2026, the Corporation disposed of $7,736,631 of property and equipment, substantially all of which was fully depreciated.

6. Construction Lines of Credit and Revolving Demand Note

TMH has a $2,000,000 revolving construction line of credit agreement with M&T Bank (M&T). The line of credit bears interest at a rate equal to 3.11% above SOFR (6.80% at June 30, 2026) and is secured by a continuing lien on and security interest in the TMH funds held by M&T. The revolving construction line of credit has no maturity date and renews annually. Borrowings on the subordinated revolving construction line of credit are due on demand. No amounts were outstanding as of June 30, 2026 and 2025.

TMH has a $6,000,000 subordinated revolving demand line of credit in conjunction with the issuance of the Series 2014 Note with M&T. The subordinated revolving demand line of credit bears a variable interest rate based on a base rate plus SOFR (6.63% at June 30, 2026). The revolving demand line of credit has no maturity date and renews annually. Borrowings on the subordinated revolving demand line of credit are due on demand. No amounts were outstanding as of June 30, 2026 and 2025.

TMH has an unsecured $4,500,000 revolving SOFR demand note (the Revolving Demand Note) with M&T. The Revolving Demand Note bears interest at a rate equal to 3.11% above SOFR (6.80% at June 30, 2026 with rates changing daily). The revolving demand line of credit has no maturity date and renews annually. Borrowings on the Revolving Demand Note are due on demand. There were no borrowings on the Revolving Demand Note as of June 30, 2026 and 2025.

On February 28, 2024, TMH entered into a $1,000,000 revolving construction line of credit agreement with Fulton available to be used for part of the construction of Falcon Pointe on TMH's Woodcrest Villa campus. The line of credit bears interest at a rate equal to 30-day SOFR plus 184 basis points (5.52% at June 30, 2026). The line of credit has no maturity date and renews annually. The borrowings on the line of credit are due on demand. No amounts were outstanding as of June 30, 2026 and 2025. The line of credit is secured by a continuing lien on and security interest in the TMH's funds held by Fulton.

CFH has a $1,550,000 demand line of credit, at an interest rate equal to the 30 day SOFR plus 211 basis points with an interest rate floor of 2.56% (5.79% at June 30, 2026) and is secured by a first mortgage lien on the CFH's property and equipment and a security interest in substantially all other assets of CFH. The line of credit has no maturity date and renews annually. There were no borrowings outstanding on the line of credit at June 30, 2026 and June 30, 2025. The line of credit also supports a letter of credit as described in Note 11.

7. Long-Term Debt

Long-term debt of the Corporation is as follows at June 30:

	2026	2025
TMH:		
Series 2007 Bonds	$ 14,855,000	$ 14,855,000
Series 2014 Note	8,974,999	9,074,999
Series 2017 Note	4,083,289	5,095,919
Series 2018 Note	4,431,378	4,893,728
Series 2024 Loan	9,043,607	9,500,001
Total TMH	41,388,273	43,419,647
CFH:		
Series 2018A Revenue Note	5,062,842	5,278,603
Series 2018B Revenue Note	2,619,103	2,716,935
Series 2019 Revenue Note	2,352,153	2,447,682
Series 2023 Revenue Note	4,132,528	4,285,037
2023 Business Loan	212,248	218,948
Total CFH	14,378,874	14,947,205
Less current maturities	(2,725,178)	(2,640,232)
Less unamortized deferred financing costs, net	(525,788)	(572,891)
Long-term debt	$ 52,516,181	$ 55,153,729

Scheduled principal repayments on long-term debt are as follows:

	TMH	CFH	Total
Years ending June 30:			
2027	$ 2,131,591	$ 593,587	$ 2,725,178
2028	2,035,779	9,778,409	11,814,188
2029	2,065,642	164,255	2,229,897
2030	2,024,001	175,688	2,199,689
2031	2,059,216	187,918	2,247,134
Thereafter	31,072,044	3,479,017	34,551,061
Total	$ 41,388,273	$ 14,378,874	$ 55,767,147

TMH

Series 2007 Bonds

In December 2007, the Lancaster Industrial Development Authority issued, on behalf of the Corporation, $26,615,000 of tax-exempt revenue bonds (the 2007 Bonds). The proceeds from the 2007 Bonds were used to repay existing loans, finance the cost of certain construction and renovation projects, fund interest on the 2007 Bonds for approximately 27 months, and pay the costs and expenses of issuing the 2007 Bonds. The 2007 Bonds bear interest at a variable rate, determined weekly by prevailing market conditions. Under the agreements, TMH has the option to convert the interest rate to a term rate mode. Under no circumstances shall the variable rate exceed an annual rate of 10% for the 2007 Bonds. The 2007 Bonds are due in varying annual installments commencing in December 2029 through December 2037 plus interest payable monthly at a variable rate (2.87% at June 30, 2026), plus a letter of credit fee and a remarketing fee. The variable rate is synthetically converted to a fixed rate of 2.04% by an interest rate swap agreement (Note 4).

Series 2014 Note

In September 2014, the Lancaster Municipal Authority issued a Series of 2014 Authority Note (the 2014 Note) in the maximum principal amount of $10,000,000, the proceeds of which were used to finance the construction of a new wellness center and pay certain costs of issuance. The 2014 Note is due in varying monthly installments through September 2041 plus interest payable monthly at a variable rate (4.06% at June 30, 2026) and thereafter at a fixed rate based on a formula determined by M&T. The variable rate is synthetically converted to a fixed rate of 2.82% by an interest rate swap agreement (Note 4).

Series 2017 Note

In February 2017, the Lancaster Municipal Authority issued a Series of 2017 Authority Note (the 2017 Note) in the maximum principal amount of $10,000,000, the proceeds of which were used to refinance the 2007 Bonds in part. The 2017 Note is due in varying monthly installments through March 2030 plus interest payable monthly at a variable rate (3.75% at June 30, 2026). The variable rate is synthetically converted to a fixed rate of 2.86% by an interest rate swap agreement (Note 4).

Series 2018 Note

In April 2018, the Lancaster Municipal Authority issued a Series of 2018 Authority Note (the 2018 Note) in the maximum principal amount of $10,000,000, the proceeds of which are to be used to finance the construction of Pheasant Pointe, an independent living expansion on TMH's Woodcrest Villa campus. Interest only is payable during the construction period in monthly installments at a variable rate equal to SOFR plus 342 basis points. Beginning April 2020, principal and interest at a variable rate equal to 79% of the sum of SOFR plus 2.36% became due in varying monthly installments through April 2045 (4.72% at June 30, 2026). The variable rate is synthetically converted to a fixed rate of 3.03% by an interest rate swap agreement (Note 4).

Series 2024 Loan

In February 2024, Fulton issued the Series 2024 construction draw/term loan (the 2024 Loan) in the maximum principal amount of $13,000,000, the proceeds of which are to be used to finance the construction of Falcon Pointe, an independent living expansion on TMH's Woodcrest Villa campus. Interest only is payable during the construction period in monthly installments at a variable rate equal to 80% of 30-day SOFR plus 180 basis points (4.34% at June 30, 2026). Beginning July 2025, principal and interest are due in varying monthly installments through February 2051. The variable rate is synthetically converted to a fixed rate of 4.70% by an interest rate swap agreement (Note 4).

Security

TMH entered into a letter of credit agreement with M&T to secure the 2007 Bonds. The letter of credit balance for the 2007 Bonds consists of the 2007 Bonds outstanding plus 35 days of interest on such outstanding bonds at an interest rate not to exceed 10%. The letter of credit is secured by a first security interest in TMH's gross revenues, as defined in the applicable agreements, and a first mortgage lien on and security interest in TMH's property and equipment. TMH and M&T executed Amended Letter of Credit Agreements whereby M&T agreed to extend the term of the letter of credit agreement related to the 2007 Bonds to December 2026 and reduce the letter of credit fee to 1.10%. The letter of credit fee is classified as interest expense in the consolidated statements of operations.

The 2014 Series Note is secured by a mortgage and security agreement. The Series 2017 Note, 2018 Note and 2024 Loan are secured by a first security interest in TMH's gross revenues, as defined in the applicable agreements, and a first mortgage lien on and security interest in the TMH's property and equipment.

TMH is subject to certain financial covenants in accordance with the terms of their debt agreements.

CFH

Series 2018 Bonds

In March 2018, the Penn Industrial Development Authority issued a $6,500,000 Revenue Note, Series A of 2018 (Series 2018A Revenue Note) and a $3,500,000 Revenue Note, Series B of 2018 (Series 2018B Revenue Note) (collectively, Series 2018 Revenue Notes) on behalf of CFH through Orrstown Bank. The proceeds of Series 2018 Revenue Notes were used to refinance outstanding debt, finance the costs of issuance and expand existing facilities.

Interest on the Series 2018 A Revenue Note is payable monthly at a fixed rate of 3.55%, payable in monthly installments. Interest on the Series 2018B Revenue Note is payable monthly at a fixed rate of 4.85% through December 28, 2027 and thereafter at variable rate of one-month SOFR plus 210 basis points multiplied by 0.79% with a floor of 4.50%. CFH is required to make principal and interest payments based on a maturity date of April 1, 2043 with a tender option date of April 1, 2028.

Series 2019 Bonds

In February 2019, the Penn Industrial Development Authority issued a $3,000,000 Revenue Note, Series of 2019 (Series 2019 Revenue Note) on behalf of CFH through the Orrstown Bank. The proceeds of the Series 2019 Revenue Note were used for the expansion of existing facilities. Interest on the Series 2019 Revenue Note is payable at a fixed rate 4.03%. CFH is required to make principal and interest payments based on a maturity date of March 1, 2043 with a tender option date of March 1, 2028.

Series 2023 Bonds

In March 2023, the National Finance Authority issued a $4,600,000 Revenue Note, Series of 2023 (Series 2023 Revenue Note) on behalf of CFH through the Bank. The proceeds of the Series 2023 Revenue Note were used to create a capital expenditures escrow fund and for general working capital purposes. Interest through March 29, 2028, is equal to 5.03%. After March 29, 2028, interest will be based on the 30-Day Term SOFR plus 211 basis points multiplied by 83% not to exceed 15%. CFH is required to make principal and interest payments through April 2033.

2023 Business Loan

In April 2023, a Business Loan was issued for $232,000 between CFH and Orrstown Bank. The proceeds from the Business Loan were used to expand residential living facilities. Interest for the first 60 payments will be 6.47%. After the first 60 payments, interest is based on the 30-Day Term SOFR rate. CFH is required to make principal and interest payments through April 2033.

Security

Borrowings under the terms of the Business Loan and Series 2018, 2019 and 2023 Revenue Notes are secured by a first mortgage lien on the CFH's property and equipment and a security interest in substantially all other assets of the CFH.

There are certain financial covenants that are required to be met related to CFH's long-term debt.

8. Accrued Expenses

Accrued expenses are as follows at June 30:

	2026	2025
Salaries and wages and related expenses	$ 1,131,677	$ 1,049,647
Paid time off	1,242,672	1,143,683
Retirement plan accruals	938,336	753,393
Health insurance	355,148	337,298
Other	72,678	68,164
Interest	11,361	34,968
	$ 3,751,872	$ 3,387,153

9. Pension Plan

TMH sponsors a defined contribution retirement plan (the Plan) and Plan expenses were $863,481 and $919,007 in 2026 and 2025, respectively.

10. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30:

	2026	2025
Split-interest agreements	$ 843,455	$ 761,859
Other purpose restricted	51,975	46,345
Restricted in perpetuity	1,318,624	8,959,424
Total net assets with donor restrictions	$ 2,214,054	$ 9,767,628

Dissolution of John Landis Trust

As a beneficiary of the John Landis Trust (the Trust), TMH has historically recorded its beneficial interest in the Trust as donor-restricted assets. On September 11, 2025, the John Landis Estate Committee approved the dissolution of the Trust. The Trust was substantially dissolved in December 2025, at which time the related assets of $8,238,729 were distributed to TMH free of any restrictions. TMH recognized a release from donor restrictions of $8,238,729, and the assets are classified as Board-designated assets whose use is limited at June 30, 2026.

11. Insurance

Workers' Compensation, Professional and General Liability Insurance

The Corporation is a member of CARE, Ltd. (CARE), a multi-provider captive reinsurance company for workers' compensation, professional, automobile and general liability insurance. In connection with the reinsurance provided by CARE, the Corporation is obligated to make payments to CARE up to a predetermined percentage of its annual premiums. TMH maintains a $433,600 irrevocable stand-by letter of credit and CFH maintains a $16,472 irrevocable stand by letter of credit to secure the future obligations under the terms of the Corporation's insurance program.

Employee Health Insurance

The Corporation participates in a self-insured program for employee health insurance. The Corporation holds a stop-loss policy of $110,000 per eligible employee that limits the maximum liability for benefits payable under such claims. Accrued expenses on the consolidated balance sheets include $355,148 and $337,298 as of June 30, 2026 and 2025, respectively, for reserves for unpaid claims related to the health plan and shared savings liability. Assets whose use is limited related to the health plan were $355,148 and $322,344 as of June 30, 2026 and 2025, respectively. The Corporation does not anticipate any significant change in loss trends, settlements or other costs that would cause a significant change in net assets.

12. Contingencies

Real Estate Property Taxes

As a not-for-profit corporation in the Commonwealth of Pennsylvania, the Corporation is an organization which presently qualifies for an exemption from real estate property taxes relating to portions of its property. However, a number of cities, municipalities and school districts in the Commonwealth of Pennsylvania have challenged and continue to challenge such exemption of not-for-profit corporations from real estate taxes. The possible future financial effect of this matter on the Corporation, if any, is not presently determinable.

Senior Living Services Industry

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance with these laws, regulations and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future effects of this matter on the Corporation, if any, are not presently determinable.

13. Concentrations of Credit Risk

The Corporation grants credit without collateral to its residents, some of whom are insured under third-party payor arrangements, primarily with Medical Assistance and Medicare.

The Corporation maintains cash accounts, which, at times, may exceed federally insured limits. The Corporation has not experienced any losses from maintaining cash accounts in excess of federally insured limits. Management believes it is not subject to any significant credit risk on its cash accounts.

14. Net Resident Service Revenues

The Corporation has agreements with third-party payors that provide for payments to the Corporation at amounts different from its established rates. A summary of the principal payment arrangements with major third-party payors follows:

- **Medical Assistance** - Nursing services provided to Medical Assistance program beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments.

- **Medicare** - Nursing and ancillary services provided to Medicare Part A beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident-specific classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments. The Corporation is reimbursed for therapy services provided to Medicare Part B beneficiaries at the lesser of a published fee schedule or actual charges.

As described above, the Medical Assistance and Medicare Part A rates are based on clinical, diagnostic and other factors. The determination of these rates is partially based on the Corporation's clinical assessment of its residents. The Corporation is required to clinically assess its residents at predetermined time periods throughout the year. The documented assessments are subject to review and adjustment by the Medical Assistance and Medicare Part A programs.

The Corporation disaggregates revenue from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Net resident service revenues consist of the following for the years ended June 30:

	2026			
	Independent Living	**Personal Care**	**Skilled Nursing**	**Total**
Self-pay	$ 23,344,806	$ 8,334,765	$ 15,708,067	$ 47,387,638
Medical Assistance	-	-	5,999,173	5,999,173
Medicare and other	459,222	-	2,468,397	2,927,619
Amortization of entrance fees	14,009,060	-	-	14,009,060
Total resident services revenues	$ 37,813,088	$ 8,334,765	$ 24,175,637	$ 70,323,490

	2025			
	Independent Living	**Personal Care**	**Skilled Nursing**	**Total**
Self-pay	$ 21,299,203	$ 6,830,767	$ 14,236,562	$ 42,366,532
Medical Assistance	-	-	5,762,798	5,762,798
Medicare and other	645,230	-	2,915,730	3,560,960
Amortization of entrance fees	12,274,020	-	-	12,274,020
Total resident services revenues	$ 34,218,453	$ 6,830,767	$ 22,915,090	$ 63,964,310

15. Functional Expenses

The Corporation's primary program service relates to providing housing, health care and other related services to residents within its geographic location. Expenses by functional classification consist of the following for the year ended June 30, 2026 and 2025:

	2026			
	Resident Services	Administrative	Fundraising	Total
Salaries and wages	$ 22,494,355	$ 3,908,172	$ 220,683	$ 26,623,210
Employee benefits and payroll taxes	6,125,199	1,055,481	62,471	7,243,151
Professional fees and purchased services	3,938,518	2,804,408	12,860	6,755,786
Supplies and other expenses	1,702,581	1,011,428	11,694	2,725,703
Food	2,593,795	4,391	6,598	2,604,784
Utilities	2,877,067	67,000	482	2,944,549
Real estate taxes	2,044,239	-	-	2,044,239
Repairs and maintenance	519,905	16,116	-	536,021
Pharmacy	158,078	-	-	158,078
Nursing home assessment	424,327	-	-	424,327
Depreciation	12,565,062	-	-	12,565,062
Interest	2,185,113	-	-	2,185,113
Provision for credit losses	212,950	-	-	212,950
Total expenses	$ 57,841,189	$ 8,866,996	$ 314,788	$ 67,022,973

	2025			
	Resident Services	Administrative	Fundraising	Total
Salaries and wages	$ 21,051,087	$ 3,724,282	$ 215,167	$ 24,990,536
Employee benefits and payroll taxes	5,858,743	955,796	70,272	6,884,811
Professional fees and purchased services	4,577,923	1,890,028	27,731	6,495,682
Supplies and other expenses	1,469,352	2,400,424	12,034	3,881,810
Food	2,342,707	4,934	5,898	2,353,539
Utilities	2,460,086	69,198	511	2,529,795
Real estate taxes	1,917,988	-	-	1,917,988
Repairs and maintenance	735,577	8,704	-	744,281
Pharmacy	209,842	-	-	209,842
Nursing home assessment	389,629	-	-	389,629
Depreciation	11,654,338	-	-	11,654,338
Interest	1,874,870	-	-	1,874,870
Provision for credit losses	183,419	-	-	183,419
Total expenses	$ 54,725,561	$ 9,053,366	$ 331,613	$ 64,110,540

Tandem Living and Subsidiaries

Consolidating Schedule, Balance Sheet
June 30, 2026

	Tandem Living	The Mennonite Home	Calvary Fellowship Homes, Inc.	Eliminations	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 95,232	$ 11,064,989	$ 961,575	$ -	$ 12,121,796
Resident trust funds	-	24,956	2,085	-	27,041
Assets whose use is limited:					
Board-designated	-	2,131,591	593,587	-	2,725,178
Insurance trust funds	-	355,148	-	-	355,148
Accounts receivable, residents, net	-	1,888,814	6,946	-	1,895,760
Accounts receivable, entrance fees	-	1,118,702	314,500	-	1,433,202
Prepaid expenses and other current assets	867,414	614,176	74,266	-	1,555,856
Due from (due to) affiliates	(304,183)	834,682	(530,499)	-	-
Total current assets	658,463	18,033,058	1,422,460	-	20,113,981
Assets Whose Use is Limited					
Board-designated	-	77,905,655	9,046,690	-	86,952,345
Statutory minimum liquid reserve	-	2,618,000	1,213,600	-	3,831,600
Insurance trust funds	-	851,450	-	-	851,450
Entrance fee escrow	-	829,474	94,350	-	923,824
Long-Term Investments	-	3,095,495	-	-	3,095,495
Property and Equipment, Net	-	152,646,502	39,576,521	-	192,223,023
Other Assets	-	229,470	100,000	-	329,470
Derivative Financial Instruments	-	696,080	-	-	696,080
Total assets	$ 658,463	$ 256,905,184	$ 51,453,621	$ -	$ 309,017,268
Liabilities and Net Assets					
Current Liabilities					
Current maturities of long-term debt	$ -	$ 2,131,591	$ 593,587	$ -	$ 2,725,178
Accounts payable:					
Trade	66,909	1,832,734	160,072	-	2,059,715
Capital	-	359,790	-	-	359,790
Accrued expenses	426,570	3,174,958	150,344	-	3,751,872
Resident trust funds	-	24,956	2,085	-	27,041
Total current liabilities	493,479	7,524,029	906,088	-	8,923,596
Long-Term Debt, Net	-	38,730,895	13,785,286	-	52,516,181
Refundable Fees and Deposits	-	30,852,003	157,100	-	31,009,103
Deferred Revenues From Entrance Fees	-	67,290,035	17,693,144	-	84,983,179
Split-Interest Obligations	-	137,118	221,600	-	358,718
Total liabilities	493,479	144,534,080	32,763,218	-	177,790,777
Net Assets					
Without donor restrictions	164,984	110,161,987	18,685,466	-	129,012,437
With donor restrictions	-	2,209,117	4,937	-	2,214,054
Total net assets	164,984	112,371,104	18,690,403	-	131,226,491
Total liabilities and net assets	$ 658,463	$ 256,905,184	$ 51,453,621	$ -	$ 309,017,268

Tandem Living and Subsidiaries

Consolidating Schedule, Statement of Operations
Year Ended June 30, 2026

	Tandem Living	The Mennonite Home	Calvary Fellowship Homes, Inc.	Eliminations	Total
Revenues Without Donor Restrictions					
Net resident service revenues	$ -	$ 63,223,239	$ 7,100,251	$ -	$ 70,323,490
Other revenues	-	682,350	426,636	-	1,108,986
Employee Retention Credit revenue	-	2,781,509	-	-	2,781,509
Management fee revenue	6,447,523	-	-	(6,447,523)	-
Total revenues	6,447,523	66,687,098	7,526,887	(6,447,523)	74,213,985
Expenses					
Healthcare	309,401	17,728,831	5,939	-	18,044,171
Depreciation	-	10,728,894	1,836,168	-	12,565,062
Plant operations	-	8,611,375	1,888,967	-	10,500,342
General and administrative	5,588,955	2,753,167	839,662	-	9,181,784
Food service	-	7,888,841	802,148	-	8,690,989
Housekeeping and laundry	-	2,857,226	113,676	-	2,970,902
Social services and activities	384,084	1,716,464	146,785	-	2,247,333
Interest	-	1,541,901	643,212	-	2,185,113
Pennsylvania nursing home assessment	-	424,327	-	-	424,327
Management fee expenses	-	5,569,463	878,060	(6,447,523)	-
Provision for credit losses	-	205,031	7,919	-	212,950
Total expenses	6,282,440	60,025,520	7,162,536	(6,447,523)	67,022,973
Operating income	165,083	6,661,578	364,351	-	7,191,012
Other income (loss):					
Investment income	(99)	8,224,790	743,564	-	8,968,255
Contributions	-	849,262	202,567	-	1,051,829
Perpetual trust released from restriction	-	8,238,729	-	-	8,238,729
Change in fair value of derivative financial instruments	-	67,911	-	-	67,911
Revenues in excess of expenses	$ 164,984	$ 24,042,270	$ 1,310,482	$ -	$ 25,517,736

Tandem Living and Subsidiaries

Consolidating Schedule, Statement of Changes in Net Assets
Year Ended June 30, 2026

	Tandem Living	The Mennonite Home	Calvary Fellowship Homes, Inc.	Eliminations	Total
Net Assets Without Donor Restrictions					
Revenues in excess of expenses	$ 164,984	$ 24,042,270	$ 1,310,482	$ -	$ 25,517,736
Net assets released from restrictions used for capital expenditures	-	25,275	-	-	25,275
Increase in net assets without donor restrictions	164,984	24,067,545	1,310,482	-	25,543,011
Net Assets With Donor Restrictions					
Contributions	-	16,216	2,117	-	18,333
Change in value of split-interest agreements	-	94,168	-	-	94,168
Valuation gain, beneficial interest in perpetual trusts	-	597,929	-	-	597,929
Net assets released from restrictions:					
Perpetual trust released from restriction	-	(8,238,729)	-	-	(8,238,729)
Used for capital expenditures	-	(25,275)	-	-	(25,275)
(Decrease) increase in net assets with donor restrictions	-	(7,555,691)	2,117	-	(7,553,574)
Increase in net assets	164,984	16,511,854	1,312,599	-	17,989,437
Net Assets, Beginning	-	95,859,250	17,377,804	-	113,237,054
Net Assets, Ending	$ 164,984	$ 112,371,104	$ 18,690,403	$ -	$ 131,226,491

Tandem Living and Subsidiaries

Consolidating Schedule, Statement of Cash Flows
Year Ended June 30, 2026

	Tandem Living	The Mennonite Home	Calvary Fellowship Homes, Inc.	Eliminations	Total
Cash Flows From Operating Activities					
Increase in net assets	$ 164,984	$ 16,511,854	$ 1,312,599	$ -	$ 17,989,437
Adjustments to reconcile increase in net assets to net cash provided by operating activities:					
Depreciation	-	10,728,894	1,836,168	-	12,565,062
Amortization of deferred financing costs	-	47,100	-	-	47,100
Proceeds from entrance fees, resales	-	14,456,764	2,280,625	-	16,737,389
Change in entrance fee deposits	-	1,003,980	38,000	-	1,041,980
Amortization of entrance fees	-	(11,434,369)	(2,574,691)	-	(14,009,060)
Provision for credit losses	-	205,031	7,919	-	212,950
Net realized and unrealized gain on investments	-	(6,560,360)	(453,841)	-	(7,014,201)
Change in fair value of derivative financial instruments	-	(67,911)	-	-	(67,911)
Change in value and payments of split-interest agreements, net	-	(15)	(48,629)	-	(48,644)
Valuation gain, beneficial interest in perpetual trusts	-	(597,929)	-	-	(597,929)
Perpetual trust released from restriction	-	8,238,729	-	-	8,238,729
Net change in due to/from affiliates	304,183	(782,830)	478,647	-	-
Changes in assets and liabilities:					
Accounts receivable	-	(280,058)	(12,292)	-	(292,350)
Other assets	-	(8,630)	-	-	(8,630)
Prepaid expenses and other current assets	(867,414)	681,602	348,244	-	162,432
Accounts payable	66,909	300,724	49,475	-	417,108
Accrued expenses and other liabilities	426,570	(12,227)	(49,624)	-	364,719
Resident trust funds	-	(3,368)	662	-	(2,706)
Net cash provided by operating activities	95,232	32,426,981	3,213,262	-	35,735,475
Cash Flows From Investing Activities					
Purchases of property and equipment	-	(9,370,470)	(1,503,932)	-	(10,874,402)
Net sales of investments	-	(20,415,336)	(3,125,460)	-	(23,540,796)
Net cash used in investing activities	-	(29,785,806)	(4,629,392)	-	(34,415,198)
Cash Flows From Financing Activities					
Payment of long-term debt	-	(2,031,370)	(568,332)	-	(2,599,702)
Refunds of entrance fees	-	(7,375,503)	(5,750)	-	(7,381,253)
Proceeds from refundable entrance fees, resales	-	4,055,336	-	-	4,055,336
Net cash used in financing activities	-	(5,351,537)	(574,082)	-	(5,925,619)
Net change in cash, cash equivalents and restricted cash and cash equivalents	95,232	(2,710,362)	(1,990,212)	-	(4,605,342)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	-	15,836,379	3,048,222	-	18,884,601
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 95,232	$ 13,126,017	$ 1,058,010	$ -	$ 14,279,259

Tandem Living and Subsidiaries

Consolidating Schedule, Statement of Cash Flows
Year Ended June 30, 2026

	Tandem Living	The Mennonite Home	Calvary Fellowship Homes, Inc.	Eliminations	Total
Supplemental Disclosure of Cash Flow Information					
Interest paid, net of amount capitalized	$ -	$ 1,482,848	$ 678,772	$ -	$ 2,161,620
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents to Consolidated Balance Sheets					
Cash and cash equivalents	$ 95,232	$ 11,064,989	$ 961,575	$ -	$ 12,121,796
Resident trust funds	-	24,956	2,085	-	27,041
Assets whose use is limited:					
Insurance trust funds	-	1,206,598	-	-	1,206,598
Entrance fee escrow	-	829,474	94,350	-	923,824
Total cash, cash equivalents and restricted cash and cash equivalents	$ 95,232	$ 13,126,017	$ 1,058,010	$ -	$ 14,279,259