GARDEN SPOT VILLAGE

A GARDEN SPOT COMMUNITY

GARDEN SPOT VILLAGE

DISCLOSURE STATEMENT

June 30, 2026

THE ISSUANCE OF A CERTIFICATE OF AUTHORITY DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OF ENDORSEMENT OF GARDEN SPOT VILLAGE BY THE PENNSYLVANIA DEPARTMENT OF INSURANCE, NOR IS IT EVIDENCE OF, NOR DOES IT ATTEST TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET OUT IN THE DISCLOSURE STATEMENT.

GARDEN SPOT VILLAGE

DISCLOSURE STATEMENT

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SUMMARY OF DISCLOSURE STATEMENT

The following is a summary of the information presented in this Disclosure Statement:

1. **The FACILITY**: Garden Spot Village, 433 South Kinzer Avenue, New Holland, PA 17557.

2. **THE PROVIDER**: Garden Spot Village, 433 South Kinzer Avenue, New Holland, PA 17557.

3. **ADMISSIONS CONTACT**: Director of Sales, Garden Spot Village, 433 South Kinzer Avenue, New Holland, PA 17557, Tel 717 355-6000.

4. **DESCRIPTION OF FACILITY**: Garden Spot Village is located on 220 acres in rural Earl Township and New Holland Borough, New Holland, Lancaster County, Pennsylvania. The campus includes 315 Cottages and Carriage Homes, 306 Apartments, 105 licensed Personal Care units and 73 licensed Skilled Care beds.

5. **REQUIREMENTS**: Admission is open to individuals who are at least 55 years of age.

6. **AFFILIATIONS**: Garden Spot Village is a controlled affiliate of Garden Spot Communities. Garden Spot Communities is the corporate "parent" and is the sole member of Garden Spot Village. Garden Spot Communities has certain reserved corporate powers over Garden Spot Village, and it provides management services to Garden Spot Village pursuant to the terms of a Management Services Agreement. Garden Spot Village and Garden Spot Village of Akron d/b/a Maple Farm, a 46-bed nursing facility located in Akron, PA, are related organizations. Garden Spot Village is affiliated with LMC: A Fellowship of Anabaptist Churches, the Atlantic Coast Conference of Mennonite Church USA, Mennonite Health Services, LeadingAge and LeadingAge PA.

7. **CURRENT RESIDENT POPULATION**: The facility became operational on April 15, 1996. The current resident population is 1,034 persons.

8. **FEES**: The following is a sample of the Entrance Fee and Monthly Fee for a typical one bedroom apartment and cottage (Standard, amortized over 4 years).

FEE	SINGLE OCCUPANCY	DOUBLE OCCUPANCY
Entrance Fee - 1 Bedroom Apt.	$169,500	$169,500
Entrance Fee – Standard End Cottage	$314,500	$314,500

FEE	SINGLE OCCUPANCY	DOUBLE OCCUPANCY
Monthly Fee - 1 Bedroom Apt. * Includes optional dining plan	*$1,998	*$2,650
Monthly Fee - Standard End Cottage	$1,937	$2,121

BACKGROUND

Garden Spot Village is a continuing care retirement community on 220 acres in rural Earl Township and New Holland Borough, Lancaster County. The address of the community is 433 South Kinzer Avenue, New Holland, PA, 17557. Garden Spot Village is a Pennsylvania nonprofit corporation with its principal office at 433 South Kinzer Avenue, New Holland, PA 17557. Garden Spot Village is affiliated with the Mennonite Church. The Mennonite Church is not, however, responsible for the debts or contractual obligations of Garden Spot Village.

Garden Spot Village is a controlled affiliate of Garden Spot Communities, a related Pennsylvania nonprofit corporation with its principal office located at 433 South Kinzer Avenue, New Holland, PA 17557. Garden Spot Communities is the sole member and corporate "parent" of Garden Spot Village. Garden Spot Communities exercises certain corporate powers over Garden Spot Village, including the power to appoint the Board of Directors of Garden Spot Village. Garden Spot Communities now provides certain services to Garden Spot Village pursuant to the terms of a Management Services Agreement, including administration, general management, human resources, information technology, marketing, and accounting services.

The Board of Directors of Garden Spot Village is vested with the authority to govern and manage the affairs of the community. The Officers and Directors serve on a voluntary basis and receive no remuneration for their activities as a Director or Officer. The names for each of the Officers and Directors are attached as Exhibit A.

DESCRIPTION

Garden Spot Village is situated on 220 acres in rural Earl Township and New Holland Borough, Lancaster County, Pennsylvania. The campus includes 315 independent living Cottages and Carriage Homes, 306 independent living Apartments, 65 traditional Personal Care apartments, 40 Memory Support Personal Care apartments, 73 licensed Skilled Care beds, 6 Dining Venues, wellness area with a pool and exercise facility and generous common spaces including the Village Square. Also included on the campus is a 49,947 square foot Outpatient Medical Center leased to a local non-profit hospital delivering a variety of services to both the Village and broader community. Garden Spot Village and Garden Spot Village of Akron d/b/a Maple Farm, a 46 bed nursing facility located on 65 acres in Akron, PA, are related organizations.

Several different Apartment types are offered at Garden Spot Village: studio, one bedroom, one bedroom with den, two bedrooms, two bedrooms with den and three bedrooms. Certain of the two and three bedroom apartments include two bathrooms, while other apartment types include one bath. Each apartment unit includes a full kitchen, with custom cabinetry, refrigerator, stove/oven, sink with garbage disposal, and microwave.

The Cottages are all two bedroom units with full kitchens as described above. Each cottage includes a one-car garage and glass enclosed sunroom with optional cement or stone patio. Some units also include two-car garages and cathedral ceilings. Many also have a loft with third bath and a walk-in closet.

Each Apartment, Cottage and Carriage Home includes:

* Wall-to-wall carpet
* Quality vinyl flooring in kitchens and bath(s)
* Storage space
* Washer and dryer
* Individual temperature control
* Other options upon request

SERVICES

Services are provided in accordance with the terms of the Garden Spot Village Resident Agreement a copy of which is provided by Garden Spot Village. Services provided by Garden Spot Village without additional charge include:

* Grounds keeping, snow and trash removal, grass mowing
* Maintenance of the apartments and cottages
* Scheduled local transportation
* 24 hour emergency response
* Social and recreational activities
* All utilities, except cable TV and telephone

Cottage and Carriage Home residents may purchase meals using their meal plan account in any of the dining venues. Starting with Section 3, The Resident Agreement provides additional details concerning services as well as optional services and building/equipment which are available for extra charges.

If residents require temporary or long term nursing care, Garden Spot Village assists in arranging for the resident's transfer to its nursing facility or the nursing facility of the resident's choice. The skilled nursing facilities include Garden Spot Village (73 beds divided between four “households”) and Maple Farm (46 beds divided into two “households”). The households provide a non-institutional environment with a person-centered care philosophy for residents.

In order to provide individuals the opportunity to age in the environment of their choice, Garden Spot Village also offers an adult day program through DayBreak that serves Garden Spot Village residents and residents of the larger community, as well as Garden Spot Village at Home, a home based services program that provides services to individuals in their residence. Garden Spot Village at Home provided approximately 10,300 hours of care in the past year. Additional details concerning home health care and personal care services are included in Section 5 of the Resident Agreement.

ENTRANCE FEES AND MONTHLY SERVICE FEES

Residents of Garden Spot Village pay a one time Entrance Fee and a recurring Monthly Service Fee. The first step in applying for residence at Garden Spot Village is to complete a Pre-Entrance Application form and payment of $100.00 for an individual or $150.00 for two persons. This fee is non refundable. The second step is to get on The Radar Screen. This involves defining which homes are of interest, and paying a single deposit equal to 10% of the entrance fee for the future resident's highest priced choice.

The third step is a final payment equal to 100% of the Entrance fee, less the 10% paid as part of the second step. Under certain circumstances, such as death or serious illness that occur prior to occupancy, the paid entrance fees will be refunded, except the non-refundable portion and/or any costs incurred by Garden Spot Village as a result of special requests by the prospective resident. After occupancy, a portion of the Entrance Fee is refundable. See Exhibits D and E, for schedule of Entrance Fee amortization and Refund Plans. The monthly service fee may be adjusted upon written notice at least 30 days prior to the effective date of any adjustment to the monthly service fee as specified in Section 7.2D of the Resident Agreement.

Below is a table showing the annual increases in fees for each of the past five fiscal years:

			Dollar Increases in Rates		
Monthly Service Charge	**07/01/2022-06/30/2023**	**07/01/2023-06/30/2024**	**07/01/2024-06/30/2025**	**07/01/2025-06/30/2026**	**07/01/2026-06/30/2027**
Effective Date	**7/1/2022**	**7/1/2023**	**7/1/2024**	**7/1/2025**	**7/1/2026**
Apartments (1 Bedroom)	$89	$103	$109	$90	$113
Cottages (Standard End)	111	100	106	87	110
Cottages (The Kraybill)	137	123	131	107	135
Personal Care Daily Rates *	15	14	15	12	11
Memory Support *	22	21	23	18	17
Skilled Care Daily Rates	37	40	38	41	28

* Rates for Level I services. Additional service levels are offered.

ESCROW AND RESERVE FUNDS

An Entrance Fee Escrow Account has been established as required by the Pennsylvania Continuing Care Provider Registration and Disclosure Act (Act 82). Any money so escrowed will be invested by the Escrow Agent in accordance with the provisions of Act 82.

FINANCIAL INFORMATION

In August 2024 Garden Spot Village secured financing through 2024 Series A and B Healthcare Facilities Revenue Bonds through the Lancaster Municipal Authority. The 2024 Series A proceeds were used to refund a Series 2019 Revenue Notes and the 2019 Convertible Revenue Note (CRN Note). The 2024 Series B proceeds were used to establish a project fund for skilled nursing renovations, a combined heat & power system, and various other capital needs. On May 13, 2011 Garden Spot Village guaranteed the Series 2011 Lancaster Municipal Authority Note, of Garden Spot Village of Akron. This note was used to renovate the 2009 Maple Farm acquisition. For interest rates, terms and other details of these debt structures, please refer to Note #7 of the June 30, 2026 Audited Financial reports included in Exhibit B of this statement.

Exhibit B, Financial Statement prepared by Baker Tilly US, LLP, Philadelphia, Pennsylvania, the Accounting firm for Garden Spot Communities and Subsidiaries, includes financial information concerning Garden Spot Village for fiscal year June 30, 2026. The Chief Executive Officer and/or Chief Financial Officer is available to meet with you and/or your advisors to discuss the financial information presented in this Disclosure Statement or to respond to your questions.

Exhibit C presents the Budget, projected revenues and expenses, for the fiscal year ending June 30, 2027.

GARDEN SPOT VILLAGE
RESIDENT AGREEMENT

NOTICE OF RIGHT TO RESCIND

Date Rescission Period Begins
Date of Signing _____

You may rescind and terminate your Residence and Care Agreement, without penalty or forfeiture, within seven (7) days of the above date. You are not required to move into Garden Spot Village before the expiration of this seven (7) day period. No other agreement or statement you sign shall constitute a waiver of your right to rescind your Agreement within the seven (7) day period.

To rescind your Residence and Care Agreement, mail or deliver a signed and dated copy of this notice, or any other dated written notice, letter, or telegram, stating your desire to rescind to Garden Spot Village, 433 South Kinzer Avenue, New Holland, PA 17557, not later than midnight of 7 days later, _____.

Pursuant to this notice, I hereby cancel my Resident Agreement.

_____	_____
Your Signature	**Date**
_____	_____
Your Signature as CO Resident	**Date**

EXHIBIT A

GARDEN SPOT VILLAGE
BOARD OF DIRECTORS

Jeff Goss, Chair
Lancaster, PA 17602
Attorney – Brubaker Connuagton Goss and Lucarelli, LLC

Joyce Hoover, CPA, Vice Chair
Ephrata, PA 17522
Retired Accountant

Karen Musser, Secretary
Narvon, PA 17555
Accounting Manager and Human Resource Administrator - RGS Associates

Tim Bender, Treasurer
New Holland, PA 17557
Mayor – New Holland
Credit Officer – Bird-in-Hand Bank

Lyle Hershey
Ephrata, PA 17522
Financial Advisor – Master's Wealth Management

Jodi Sensenig
New Holland, PA 17557
Administration – Golden Barrel Products

Alphaus Stoltzfus
East Earl, PA 17519
Pastor – Weaverland Anabaptist Faith Community

David Vega
Ephrata, PA 17522
MD, MBA - WellSpan Ephrata Community Hospital

Elizabeth Givens
New Holland, PA 17557
Resident - Retired

Donald Aldrich
New Holland, PA 17557
Resident- Retired

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Garden Spot Communities and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

June 30, 2026 and 2025

Garden Spot Communities and Subsidiaries

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Independent Auditors' Report

To the Board of Directors of
Garden Spot Communities and Subsidiaries

Opinion

We have audited the consolidated financial statements of Garden Spot Communities and Subsidiaries (the Organization), which comprise the consolidated balance sheets as of June 30, 2026 and 2025, and the related consolidated statements of operations, 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 Organization 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 Organization 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 Organization's ability to continue as a going concern within one year after the date that the 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 Organization'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 Organization'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 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 and results of its operations of the individual organizations, and it is not a required part of the consolidated financial statements. Also, the Garden Spot Obligated Group Statement of Cash Flows and the Frederick Living Statement of Cash Flows is presented for purposes of additional analysis and 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 information has been subjected to the auditing procedures applied in the audit 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 information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Philadelphia, Pennsylvania
October 5, 2026

Garden Spot Communities and Subsidiaries

Consolidated Balance Sheets
June 30, 2026 and 2025

	2026	2025
Assets		
Current Assets		
Cash and cash equivalents	$ 24,463,300	$ 13,533,929
Assets whose use is limited, resident trust funds	2,288,455	1,919,426
Accounts receivable:		
Residents, net	2,039,206	2,590,500
Other	180,825	235,091
Pledges receivable, net	251,332	-
Prepaid expenses and other current assets	2,195,824	2,838,438
Total current assets	31,418,942	21,117,384
Investments	28,395,469	25,249,149
Assets Whose Use is Limited		
Board designated	23,630,774	18,777,475
Statutory liquid minimum reserve	5,951,295	5,467,212
Under trust indenture, held by trustee	9,983,212	13,860,220
Total assets whose use is limited	39,565,281	38,104,907
Property and Equipment, Net	185,796,603	183,104,982
Beneficial Interest in Perpetual Trusts	789,675	716,900
Investment in Partnership	1,784,366	1,800,667
Pledges Receivable, Net	886,227	93,916
Operating Right-of-Use Asset	6,189,925	-
Total assets	$ 294,826,488	$ 270,187,905
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	$ 2,426,082	$ 2,392,230
Current portion of operating lease obligation	497,564	-
Accounts payable:		
Trade	2,075,709	1,858,755
Construction	2,546,172	1,420,962
Entrance fee refunds	1,382,474	1,415,256
Accrued expenses	5,301,180	4,997,597
Deferred grant revenue	40,000	8,241
Resident trust funds	2,288,455	1,919,426
Deposits from prospective residents	9,005,602	8,549,971
Total current liabilities	25,563,238	22,562,438
Long-Term Debt	86,506,853	88,917,492
Refundable Entrance Fees	17,671,120	18,662,284
Deferred Revenue From Entrance Fees	86,297,842	84,932,104
Operating Lease Obligation	5,692,361	-
Derivative Financial Instrument	82,506	190,336
Total liabilities	221,813,920	215,264,654
Net Assets		
Without donor restrictions	69,169,250	53,049,778
With donor restrictions	3,843,318	1,873,473
Total net assets	73,012,568	54,923,251
Total liabilities and net assets	$ 294,826,488	$ 270,187,905

See notes to consolidated financial statements

Garden Spot Communities and Subsidiaries

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

	2026	2025
Revenues Without Donor Restrictions		
Net resident service revenues	$ 85,462,309	$ 80,688,722
Rent revenues	1,424,229	1,373,425
Grant revenues	8,848,519	47,615
Other revenues	1,758,429	1,171,472
Net assets released from restrictions used for operations	52,527	132,957
Total revenues without donor restrictions	97,546,013	83,414,191
Expenses		
Nursing	28,657,845	27,293,526
Dietary	11,164,846	10,237,130
Social services	2,369,138	2,123,292
Housekeeping and laundry	2,561,138	2,374,742
Plant operations	8,796,578	8,146,892
Real estate taxes	2,795,100	2,626,277
Utilities	3,156,528	2,745,287
Administrative	11,418,508	9,301,722
Marketing	3,158,502	2,698,723
Depreciation	12,070,464	11,145,635
Interest	4,045,689	3,846,709
Total expenses	90,194,336	82,539,935
Operating income	7,351,677	874,256
Other Income (Loss)		
Investment income	3,062,278	2,243,610
Contributions	2,295,895	1,105,752
Change in net unrealized gains and losses on investments	3,312,093	2,626,037
Change in fair value of derivative financial instrument	107,830	(1,604,682)
Loss on refinancing	-	(558,540)
Loss in equity investment	(36,301)	-
Revenues in excess of expenses	16,093,472	4,686,433
Net Assets Released From Restrictions Used for Purchase of Property and Equipment	26,000	311,048
Revenues in excess of expenses and change in net assets without donor restrictions	$ 16,119,472	$ 4,997,481

See notes to consolidated financial statements

Garden Spot Communities 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	$ 16,093,472	$ 4,686,433
Net assets released from restrictions used for purchase of property and equipment	26,000	311,048
Change in net assets without donor restrictions	16,119,472	4,997,481
Net Assets With Donor Restrictions		
Contributions	1,975,597	227,262
Valuation gain, beneficial interest in perpetual trusts	72,775	15,332
Net assets released from restrictions used for purchase of property and equipment	(26,000)	(311,048)
Net assets released from restrictions used for operations	(52,527)	(132,957)
Change in net assets with donor restrictions	1,969,845	(201,411)
Change in net assets	18,089,317	4,796,070
Net Assets, Beginning	54,923,251	50,127,181
Net Assets, Ending	$ 73,012,568	$ 54,923,251

See notes to consolidated financial statements

Garden Spot Communities and Subsidiaries

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

	2026	2025
Cash Flows From Operating Activities		
Change in net assets	$ 18,089,317	$ 4,796,070
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	12,070,464	11,145,635
Loss on refinancing	-	558,540
Loss on sale of fixed assets	109,277	71,683
Amortization of deferred financing costs	26,799	30,044
Amortization of bond premium and discount	(86,441)	(79,237)
Change in operating lease right-of-use assets and obligations	32,458	-
Payments on operating lease obligations	(32,458)	-
Net realized and unrealized gains on investments	(4,273,607)	(3,214,328)
Deposits from prospective residents, net	455,631	1,045,131
Proceeds from nonrefundable entrance fees, existing units	15,039,259	14,654,091
Amortization of entrance fees	(12,634,511)	(12,553,744)
Restricted contributions for long-term purposes	(1,137,878)	(140,780)
Change in fair value of derivative financial instrument	(107,830)	1,604,682
Contributions of pledges receivable	(1,397,200)	-
Change in value of pledges receivable	156,593	(27,058)
Valuation gain, beneficial interest in perpetual trusts	(72,775)	(15,332)
Change in assets and liabilities:		
Accounts receivable, residents and other	617,360	506,470
Prepaid expenses and other current assets	642,614	(1,672,566)
Accounts payable, trade	216,954	407,360
Accrued expenses	303,583	958,124
Deferred grant revenue	31,759	(49,655)
Net cash flows provided by operating activities	28,049,368	18,025,130
Cash Flows From Investing Activities		
Purchase of property and equipment	(13,746,152)	(16,044,966)
Change in value of partnership	16,301	(1,800,667)
Proceeds from sales of investments and assets whose use is limited	4,702,232	8,980,238
Purchases of investments and assets whose use is limited	(8,912,327)	(7,830,707)
Net cash flows used in investing activities	(17,939,946)	(16,696,102)
Cash Flows From Financing Activities		
Payments on lines of credit, net	-	(1,738,767)
Proceeds from borrowings on long-term debt	-	20,269,351
Proceeds from termination of interest rate swap agreement	-	2,019,182
Repayment of long-term debt	(2,317,145)	(4,497,067)
Payment of deferred financing costs	-	(571,617)
Proceeds from refundable entrance fees, existing units	640,607	2,072,575
Refunds of entrance fees	(2,715,363)	(3,311,705)
Collections, pledges receivable	196,964	112,614
Restricted contributions for long-term purposes	1,137,878	140,780
Net cash flows (used in) provided by financing activities	(3,057,059)	14,495,346
Net change in cash and cash equivalents and restricted cash and cash equivalents	7,052,363	15,824,374
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	27,394,149	11,569,775
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 34,446,512	$ 27,394,149
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents		
Cash and cash equivalents	$ 24,463,300	$ 13,533,929
Assets whose use is limited:		
Under trust indenture, held by trustee	9,983,212	13,860,220
Total cash, cash equivalents and restricted cash and cash equivalents	$ 34,446,512	$ 27,394,149
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amounts capitalized	$ 4,133,544	$ 3,476,308
Supplemental Disclosure of Noncash Investing and Financing Activities		
Obligations incurred for the acquisition of property and equipment	$ 2,546,172	$ 1,420,962
Right-of-use assets obtained in exchange for new operating lease obligations	$ 6,210,103	$ -
Line of credit converted to long-term debt	$ -	$ 3,500,000
Long-term debt refinanced	$ -	$ 55,360,000

See notes to consolidated financial statements

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Principles of Consolidation

Garden Spot Communities (GSC) is the parent organization that provides management services to its controlled entities based on the terms of the management agreements. The following is a listing of GSC's controlled entities:

- Garden Spot Village (the Village) operates a continuing care retirement community (CCRC) located in New Holland, Pennsylvania providing housing, health care and other services to elderly residents through the operation of a 73-bed nursing facility, a 65-unit personal care facility, a 40-unit personal care memory support facility and 618 independent living apartments and cottages.

- Frederick Mennonite Community d/b/a Frederick Living (Frederick Living) operates a CCRC in Frederick, Pennsylvania providing housing, health care and other services to elderly residents through the operation of a 61-bed nursing facility, a 104-unit personal care facility, a 31-unit personal care memory support facility and 165 independent living apartments and cottages.

- GSV, LLC, a solely owned subsidiary of the Village, leases a building for use as medical offices.

- At Home Services, LLC provides home care services.

- Garden Spot Village of Akron d/b/a Maple Farm (Akron) operates a 46-bed nursing facility located in Akron, Pennsylvania.

- Garden Spot CoLiving, LLC (CoLiving) operates cooperative housing units.

- Forgeworks, LLC (Forgeworks) will provide management support and services to assist nonprofit organizations to expand and grow. Forgeworks activity is currently being recorded within Garden Spot Communities.

- TrellisWorks, a 501(c)(3) organization, is organized for the purpose of performing fundraising and other charitable activities to further the mission of GSC and its subsidiaries.

- GSV CCaH, LLC (d/b/a Vibrance) (Vibrance) provides a continuing care at home membership program for seniors who wish to remain in their homes. Vibrance commenced operations during 2026.

- GSC Leasing, LLC (GSC Leasing) executes and operates leases to deliver senior living services to further the mission of GSC. GSC Leasing commenced operations during 2026.

- GSC Ventures, Inc. (Ventures) is a for-profit holding corporation. There was no activity in Ventures during 2026 and 2025.

- Elanco Self Storage, LLC (Elanco) (whose sole member is Ventures) operates a storage facility in New Holland, Pennsylvania.

- GSC Property Holdings, LLC (Property Holdings) (whose sole member is Ventures) is organized to own and hold property, investments in property, and other related ventures.

The Village and GSV, LLC comprise the Garden Spot Obligated Group (Note 7).

The consolidated financial statements include the accounts of GSC and its controlled entities (collectively, the Organization). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements of the Organization. The Organization's primary operations and service areas include New Holland and Zieglerville, Pennsylvania and surrounding communities in Lancaster County and Montgomery County, Pennsylvania.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash and cash equivalents include investments in highly liquid debt instruments purchased with an original maturity of three months or less.

Accounts Receivable, Residents, Net

The Organization assesses collectability on all resident accounts prior to providing services. An allowance for credit losses is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. The allowance is estimated by management based on factors such as aging of the accounts receivable, and anticipated collection of the consideration. The allowance for credit losses was approximately $302,000 and $378,000, as of June 30, 2026 and 2025, respectively. Accounts are written off through the provision of credit losses when the Organization has exhausted all collection efforts and accounts are deemed impaired.

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. 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 Organization'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 certain 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 primarily include assets designated by the Board of Directors for various purposes, over which the Board retains control and may at its discretion, subsequently use for other purposes; assets designated by the Board of Directors 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); assets held by trustees under trust indentures; entrance fee escrow deposits; and resident trust funds. Amounts available to meet current liabilities are classified as current assets in the consolidated balance sheets.

Investment in Partnership

Property Holdings holds a 33.33% interest in Veterans Building Investors, LLC which owns a building that is used for rental units. The investment is recorded using the equity method of accounting as an investment in partnership on the consolidated balance sheets. The investment was $1,784,366 and $1,800,667 as of June 30, 2026 and 2025, respectively.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets. The Organization reviews all disbursements greater than $1,500 and a useful life greater than one year for capitalization as property and equipment.

Impairment of Property and Equipment

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. No impairment losses were recognized in 2026 and 2025.

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt have been deferred and are being amortized over the terms of the related debt using the straight-line method, which approximates the effective interest method.

Resident Trust Funds

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

Entrance Fees

The Village

Under certain entrance fee plans for independent living units, the Village receives payments in advance. Residents have five entrance fee plan options, three refundable options and two nonrefundable options. The refundable options have a guaranteed refund component, which is 50%, 75% or 90% of the entrance fee paid, with the balance refundable on a decreasing basis at a rate of 1% of the entrance fee per month for each month, or portion thereof, of occupancy in the independent living unit. As of April 2019, the Village is no longer offering the 50% refundable option. The nonrefundable options have no guaranteed refund component and are refundable on a decreasing basis for 48 months or 96 months, after which no refund is due or payable.

Entrance fee refunds are generally paid after the independent living vacated unit has been re-occupied by a new resident. The gross amount of contractual refund obligations under existing resident agreements at the Village at June 30, 2026 approximates $29,831,000.

The guaranteed refund component of entrance fees received is not amortized to revenue and is classified as refundable entrance fees in the consolidated balance sheets. The balance of entrance fees received is amortized to revenue using the straight-line method over the annually adjusted estimated remaining life expectancies of the residents, and is classified as deferred revenue from entrance fees in the consolidated balance sheets.

Revenue from nonrefundable entrance fees received is recognized through amortization of the nonrefundable entrance fees using the straight-line method over annually adjusted estimated remaining life expectancies 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 revenue from entrance fees in the accompanying consolidated balance sheets. At the Village, amortization of nonrefundable entrance fees included in net resident service revenues was $9,637,253 in 2026 and $9,868,288 in 2025.

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

Frederick Living

Under certain entrance fee plans for independent living units, Frederick Living receives payments in advance. Residents have three entrance plan options, two refundable options and a nonrefundable option. The refundable options have a guaranteed refund component, which is either 50% or 90% of the entrance fee paid, with the balance refundable on a decreasing basis at a rate of 2.5% of the entrance fee per month for each month or portion thereof of occupancy in the residential living unit. The nonrefundable option has no guaranteed refund component and is refundable on a decreasing basis for 40 months; after 40 months of occupancy, no refund is due or payable.

Entrance fee refunds are generally paid after the residential living vacated unit has been re-occupied by a new resident. The gross amount of contractual refund obligations under existing resident agreements at Frederick Living at June 30, 2026 approximates $18,711,000.

The guaranteed refund component of entrance fees received is not amortized to revenue and is classified as refundable entrance fees in the consolidated balance sheets. The balance of entrance fees received is amortized to revenue using the straight-line method over the annually adjusted estimated remaining life expectancies of the residents, and is classified as deferred revenue from entrance fees in the consolidated balance sheets.

Revenue from nonrefundable entrance fees received is recognized through amortization of the nonrefundable entrance fees using the straight-line method over annually adjusted estimated remaining life expectancies 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 revenue from entrance fees in the accompanying consolidated balance sheets. At Frederick Living, amortization of nonrefundable entrance fees included in net resident service revenues was $2,989,925 in 2026 and $2,685,456 in 2025.

Vibrance

Under certain member agreements for continuing care at home services, Vibrance receives payments in advance. Members have seven plan options, four initial membership fees with monthly service fees options, one entrance fee with a set monthly fee option, one membership fee only option, and one daily fee plan option. Membership fees for all plans are fully refundable up to 90 days after the effective date of membership, then on a decreasing basis at a rate of 2% of the membership fee per month over four years.

Membership fee refunds are generally paid within 30 days of the date of termination of the membership agreement. The gross amount of contractual refund obligations under existing membership agreements at Vibrance at June 30, 2026 approximates $168,000.

Revenue from membership fees received is recognized through amortization of the membership fees using the straight-line method over annually adjusted estimated remaining life expectancies 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 revenue from entrance fees in the accompanying consolidated balance sheets. At Vibrance, amortization of membership fees included in net resident service revenues was $7,333 in 2026.

Derivative Financial Instruments

The Organization has interest rate swap agreements, which are considered derivative financial instruments, to manage its interest rate risk on its long-term debt. The interest rate swap agreements are reported at fair value in the consolidated balance sheets and related changes in fair value are reported in the consolidated statements of operations as change in fair value of derivative financial instruments.

Split-Interest Agreements

Frederick Living has received, as contributions, perpetual trusts. Under these arrangements, Frederick Living recorded the asset and recognized permanently restricted contributions at the fair value of Frederick Living's beneficial interest in the trust assets. Income earned on the trust assets and distributed to Frederick Living is recorded as a restricted contribution on the consolidated statements of changes in net assets. Changes in fair value are recorded as valuation gains and losses in net assets with donor restrictions.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported 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 will be met 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.

Net Resident Service Revenues

Net resident service revenues are reported at the amount that reflects the consideration the Organization 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, independent living and at home 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 Organization has determined that the services included in the stated daily or monthly fee for each level of care represent a series of distinct services that have the same timing and pattern of transfer. Therefore, the Organization 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 Organization 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 Organization estimates the transaction price based on the terms of the contract, correspondence with the third-party payor and historical payment trends, and retroactive adjustments are recognized in future periods as final settlements are determined.

Benevolent Care

The Organization provides services to residents who meet certain criteria at amounts less than its cost of providing care. The Organization maintains records to identify and monitor the level of benevolent care it provides. The costs associated with the benevolent care services provided to residents include both direct costs and estimated indirect costs, as reported by management on the Organization's internal consolidated financial statements. The level of benevolent care provided by the Organization, which represents the difference between the estimated cost of providing care and the payments received for services rendered, was approximately $798,000 and $704,000 in 2026 and 2025, respectively.

Medical Assistance Reimbursement and Cost of Providing Care

The Organization provides nursing care to Medical Assistance program beneficiaries at amounts less than its cost of providing care. The Organization maintains records to identify and monitor the difference between the cost of providing care to Medical Assistance program beneficiaries and the payments received for services rendered. The costs associated with the services provided to Medical Assistance program beneficiaries include both direct costs and estimated indirect costs, as reported by management on the Organization's internal consolidated financial statements. The difference between the estimated cost of providing care to Medical Assistance program beneficiaries and the payments received for services rendered was approximately $3,302,000 and $3,812,000 in 2026 and 2025, respectively.

Rent Revenues

GSV, LLC leases medical office space and accounts for such leases as operating leases. Rent revenues are recognized when billed over the terms of the leases.

Employee Retention Credits

The Employee Retention Credit (ERC) was established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequently amended by the Consolidated Appropriations Act (CAA), the American Rescue Plan Act (ARPA), and the Infrastructure Investment and Jobs Act (IIJA). The ERC is a refundable payroll tax credit available to eligible employers for qualified wages paid from March 13, 2020 through September 30, 2021. For 2020 the credit equaled 50% of up to $10,000 of qualified wages per employee per calendar quarter with a maximum annual credit per employee of $5,000. For 2021 the credit equaled 70% of up to $10,000 of qualified wages per employee per calendar quarter with a maximum annual credit per employee of $21,000.

The Organization applied for the ERC by amending its Forms 941 for the 2020 and 2021 quarters. The Organization 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. Due to the subjectivity in determining eligibility, management concluded that the recognition criteria were not met as of June 30, 2025; accordingly, no revenue was recognized.

During 2026, the Organization received $294,823 related to ERC claims for the quarters ended June 30, 2020 and $8,553,696 related to ERC claims for the quarters ended March 31 and June 30, 2021, which was inclusive of interest of $41,687 and $1,287,413, respectively. Management concluded that the barriers to recognition were substantially met during 2026, primarily due to the expiration of the statute of limitations and receipt of the funds, and recognized the proceeds as grant revenues during 2026 in the accompanying consolidated statement of operations.

Income Taxes

GSC, the Village, Frederick Living, Akron and TrellisWorks 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 pursuant to Section 501(a) of the IRC. Ventures is a taxable corporation subject to federal income taxes. GSV, LLC, At Home Services, LLC, CoLiving, Forgeworks, Vibrance, GSC Leasing, LLC, Elanco, and Property Holdings are limited liability companies that have elected not to be treated as separate entities for federal income tax purposes and under applicable Treasury regulations will be disregarded as separate entities for federal income tax purposes.

Measure of Operations

The Organization's operating income includes all operating revenues and expenses that are an integral part of its program and supporting activities. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be more unusual and nonrecurring in nature.

Performance Indicator

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.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events

The Organization has evaluated subsequent events through October 5, 2026, which is the date the consolidated financial statements were issued.

2. Net Resident Service Revenues

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

	2026					
	Skilled Nursing	Personal Care	Independent Living	At Home Services	Other	Total
Self-pay	$ 17,742,518	$ 20,741,612	$ 24,052,577	$ 559,488	$ 340,651	$ 63,436,846
Medicare	5,068,474	-	-	-	-	5,068,474
Medical Assistance	4,322,478	-	-	-	-	4,322,478
Total	$ 27,133,470	$ 20,741,612	$ 24,052,577	$ 559,488	$ 340,651	72,827,798
Amortization of entrance fees						12,634,511
						$ 85,462,309

	2025					
	Skilled Nursing	Personal Care	Independent Living	At Home Services	Other	Total
Self-pay	$ 15,491,225	$ 19,046,179	$ 22,994,445	$ 464,196	$ 261,722	$ 58,257,767
Medicare	5,056,713	-	-	-	-	5,056,713
Medical Assistance	4,820,498	-	-	-	-	4,820,498
Total	$ 25,368,436	$ 19,046,179	$ 22,994,445	$ 464,196	$ 261,722	68,134,978
Amortization of entrance fees						12,553,744
						$ 80,688,722

The Organization has agreements with third-party payors that provide for payments at amounts different from established rates. A summary of the 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.

As described above, the Medical Assistance and Medicare rates are based on clinical, diagnostic and other factors. The determination of these rates is partially based on the Organization's clinical assessment of its residents. The Organization 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 programs.

Payment terms and conditions for the Organization's resident contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days. Net resident service revenues for recurring and routine monthly services are generally billed monthly in advance. Net resident service revenues for ancillary services are generally billed monthly in arrears. Additionally, nonrefundable entrance fees are generally billed and collected in advance of move-in. Revenues collected from residents in advance are recognized as deferred revenue from entrance fees until the performance obligations are satisfied and are included in deferred revenues from entrance fees in the accompanying consolidated balance sheets. The Organization applies the practical expedient in ASC 606, and therefore, does not disclose amounts for remaining performance obligations that have original expected durations of one year or less.

3. Fair Value Measurements, Investments, Assets Whose Use is Limited and Other Financial Instruments

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined 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 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Organization for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets and other observable inputs.

Level 3 - Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques. The Organization did not hold any Level 3 investments for the years ended June 30, 2026 and 2025.

The Organization reports its investments, assets whose use is limited and derivative financial instruments at fair value on a recurring basis in accordance with the fair value hierarchy. The fair values of the Organization's investments, assets whose use is limited and derivative financial instruments were determined using the following inputs at June 30:

	2026		
	Total	**Level 1**	**Level 2**
Assets:			
Investments and assets whose use is limited:			
Marketable equity securities	$ 6,249,790	$ 6,249,790	$ -
Mutual funds:			
Fixed income	23,941,515	23,941,515	-
Equity and other	18,964,488	18,964,488	-
Corporate bonds	2,489,911	-	2,489,911
U.S. government obligations	2,301,620	-	2,301,620
Total investments and assets whose use is limited	$ 53,947,324	$ 49,155,793	$ 4,791,531
Liability:			
Derivative financial instruments	$ 82,506	-	82,506

	2025		
	Total	**Level 1**	**Level 2**
Assets:			
Investments and assets whose use is limited:			
Marketable equity securities	$ 5,159,477	$ 5,159,477	$ -
Mutual funds:			
Fixed income	20,973,245	20,973,245	-
Equity and other	16,345,209	16,345,209	-
Corporate bonds	2,241,961	-	2,241,961
U.S. government obligations	1,689,027	-	1,689,027
Total investments and assets whose use is limited	$ 46,408,919	$ 42,477,931	$ 3,930,988
Liability:			
Derivative financial instruments	$ 190,336	$ -	$ 190,336

Investments and assets whose use is limited are presented together in the tables above as there are various investment accounts that are allocated between the investments and assets whose use is limited on the consolidated balance sheets.

The following table reconciles the investments and assets whose use is limited to the consolidated balance sheets:

	2026	2025
Investments and assets whose use is limited reported at fair value in the tables above	$ 53,947,324	$ 46,408,919
Cash and cash equivalents included in investments and assets whose use is limited	13,761,631	16,840,134
Investments measured using alternative measurement	2,540,250	2,024,429
Total investments and assets whose use is limited	$ 70,249,205	$ 65,273,482

Financial Instruments

Investments and assets whose use is limited are valued at fair value based on quoted market prices in active markets for mutual funds and marketable equity securities and are estimated using quoted prices for similar securities for U.S. government obligations and corporate bonds.

The Organization measures its derivative financial instruments at fair value based on proprietary models of an independent third-party valuation specialist. The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the derivative financial instruments and considers the credit risk of the counterparty to the agreement and the Organization. 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 Organization would pay to terminate the agreements.

Investment Income

Investment return without donor restrictions is comprised of the following:

	2026	2025
Investment income:		
Interest income	$ 2,100,764	$ 1,655,319
Net realized gains on sales of investments	961,514	588,291
Total investment income	3,062,278	2,243,610
Change in net unrealized gains and losses on investments	3,312,093	2,626,037
Total investment return	$ 6,374,371	$ 4,869,647

Statutory Minimum Liquid Reserve Requirement

In compliance with Act 82, the Board of Directors designated a portion of Board-designated assets whose use is limited reserved to meet the requirements of Act 82. The amount designated was $5,951,295 at June 30, 2026 and was calculated as follows:

	The Village	Frederick Living	Vibrance
Budgeted operating expenses for the year ending June 30, 2027	$ 64,525,573	$ 25,299,240	$ 790,890
Less budgeted depreciation and amortization expense	(9,726,082)	(3,110,176)	-
Expenses subject to minimum liquid reserve requirement	54,799,491	22,189,064	790,890
Percentage of residents subject to entrance fee agreements at June 30, 2026	79.96%	67.17%	100%
Subtotal	43,817,673	14,904,394	790,890
Statutory requirement	10%	10%	10%
Statutory reserve requirement (a)	$ 4,381,767	$ 1,490,439	$ 79,089
Debt service requirements for the year ending June 30, 2027:			
Principal	$ 1,195,000	$ 986,363	$ -
Interest	2,970,450	1,017,611	-
Total debt service	4,165,450	2,003,974	-
Percentage of residents subject to entrance fee agreements at June 30, 2026	79.96%	67.17%	100%
Statutory reserve requirement (b)	$ 3,330,694	$ 1,346,069	$ -
Requirement, greater of (a) or (b)	$ 4,381,767	$ 1,490,439	$ 79,089

4. Liquidity and Availability of Resources

The Organization's financial assets available for general expenditures within one year of the consolidated balance sheets date consist of the following at June 30:

	2026	2025
Cash and cash equivalents	$ 24,463,300	$ 13,533,929
Accounts receivable:		
Residents, net	2,039,206	2,590,500
Other	180,825	235,091
Investments	28,395,469	25,249,149
Beneficial interest in perpetual trusts	789,675	716,900
Less net assets with donor restrictions	(3,843,318)	(1,873,473)
Total	$ 52,025,157	$ 40,452,096

The Organization has board-designated assets whose use is limited of $23,630,774 and $18,777,475 at June 30, 2026 and 2025, respectively, that are excluded from the table above. Although the Organization does not intend to utilize these funds for general expenditures as part of its annual budget and approval process, the Board-designated amounts in excess of those collateralized by the line of credit noted in Note 6 could be made available, if necessary.

The Organization designated a portion of its investments reserved to comply with the requirements of Act 82 (Note 3) and thus they are not included in the schedule above. Although the Organization does not intend to utilize the reserves for general expenditures as part of its annual budget and approval process, amounts designated as the reserves could be made available as necessary. The reserves are separately disclosed on 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 Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests excess cash in short-term investments.

Additionally, the Organization maintains lines of credit to support operations as further described in Note 6.

5. Property and Equipment

Property and equipment consist of the following at June 30:

	2026	2025
Land	$ 12,629,606	$ 12,629,606
Land improvements	28,089,894	25,264,375
Buildings and improvements	246,572,678	234,812,663
Equipment and furnishings	21,703,116	20,785,175
Vehicles	1,261,622	1,129,109
Total	310,256,916	294,620,928
Accumulated depreciation	(135,536,651)	(123,688,696)
Total	174,720,265	170,932,232
Construction-in-progress	11,076,338	12,172,750
Property and equipment, net	$ 185,796,603	$ 183,104,982

Construction-in-progress at June 30, 2026 consists of several ongoing projects, including skilled nursing renovations, common area renovations, and apartment building renovations. At June 30, 2026, the Organization had entered into construction contracts of $13,808,909, of which costs incurred were $6,156,003.

6. Lines of Credit

The Village has a $500,000 unsecured line of credit with Fulton Bank (Fulton). The line of credit bears interest at a variable rate (6.75% at June 30, 2026). There were no borrowings at June 30, 2026 and 2025.

The Village had a $6,000,000 secured line of credit with Truist Bank (Truist). During May 2025, the line of credit expiration date was extended to May 22, 2028 and the maximum principal was increased to $15,000,000. The line of credit is secured by a mortgage lien and security interest in property and equipment of the Village. The line of credit bears interest at the Secured Overnight Financing Rate (SOFR) Index plus 1.95% (5.63% at June 30, 2026). There were no borrowings against the line of credit as of June 30, 2026 and 2025. The Village will pay an annual fee equal to 0.75% of the stated amount of the letters of credit. There are outstanding letters of credit of $884,797 and $2,180,790 as of June 30, 2026 and 2025, respectively.

Frederick Living has a $1,500,000 unsecured revolving line of credit with Univest. The line of credit bears interest at the prime rate plus 25 basis points (7.00% as of June 30, 2026). There were no borrowings as of June 30, 2026 and 2025.

7. Long-Term Debt

Akron - Series 2011 Bonds

In May 2011, the Lancaster Municipal Authority (LMA) issued, on behalf of Akron, its Series 2011 Revenue Note with a total maximum principal value of $3,720,000. In conjunction with the issuance of the Series 2011 Revenue Note, Akron, the LMA and Fulton executed a Project Financing Agreement whereby Fulton loaned the LMA the total principal value of the Series 2011 Revenue Note and the LMA assigned its right, title and interest in the Series 2011 Revenue Note to Fulton. The Series 2011 bonds are due in varying quarterly installments through May 2036, plus interest payable monthly at a variable rate equal to 70% of the SOFR Index plus 200 basis points or a minimum of 2.53% (4.58% at June 30, 2026).

The Series 2011 Revenue Note is secured by a first security interest in Akron's gross receipts and a first mortgage lien on and security interest in substantially all of Akron's property and equipment. The Garden Spot Obligated Group guaranteed the payment of principal and interest on the Series 2011 Revenue Note. The Series 2011 Revenue Note also requires the Garden Spot Obligated Group to meet certain financial covenants.

Obligated Group - Series 2024 Bonds

In August 2024, the LMA issued, on behalf of the Garden Spot Obligated Group, its Series 2024 Healthcare Facilities Revenue Bonds (2024 Revenue Bonds) with a maximum principal of $67,270,000 to provide for overall debt service savings, while also establishing a project fund of $15,200,000 for certain capital projects. The Series 2024 Revenue Bonds are secured by a mortgage lien on, and security interest in, substantially all of the Garden Spot Obligated Group’s property and equipment, as defined. The 2024 Revenue Bonds were issued as two series: Series 2024A Refunding Note and Series 2024B Revenue Note. The proceeds from the new Series 2024A Refunding Note were used to refinance the outstanding balances of the Series 2019A Revenue Note, Series 2019B Revenue Note, Series 2019 CRN, and termination of the interest rate swaps (see below). The proceeds from the new Series 2024B Revenue Note established a project fund for skilled nursing renovations, the combined heat and power system, and other various capital needs.

The Series 2024A Refunding Note is tax-exempt and consists of $13,910,000 10-year term bonds maturing through May 1, 2034 at 5.00%, $22,245,000 20-year term bonds maturing May 1, 2044 at 5.00%, and $15,915,000 25-year term bonds maturing May 1, 2049 at 5.00%. The Series 2024B Revenue Note is tax-exempt and consists of $6,680,000 30-year term bonds maturing May 1, 2054 at 5.00% and $8,520,000 35-year term bonds maturing May 1, 2059 at 5.00%.

Frederick Living - Series 2017 Loan

The Series 2017 Loan is secured by a mortgage lien on, and security interest in, substantially all of Frederick Living's property and equipment, as defined in the agreement with Univest. The Series 2017 Loan also requires Frederick Living to meet certain financial covenants. The Series 2017 Loan requires monthly payments of $117,261, including interest at 3.83% payable through December of 2024. In December 2024, the interest rate was reset to 5.79%. The Series 2017 Loan is scheduled to mature in January of 2038.

Frederick Living - Loan Payable

In December 2024, Frederick Living converted a nonrevolving line of credit to a loan with Univest that was used to finance capital projects with a maximum principal of $3,500,000. The loan is secured by marketable securities in the benevolent care fund held by Univest. Additionally, the loan agreement requires compliance with the terms of the Series 2017 Loan as defined above. The loan requires monthly interest payments at 200 basis points above the one-month term SOFR loan rate (5.65% as of June 30, 2026) and semi-annual principal payments of $100,000 with a balloon payment of $2,999,879 due January 2028.

Elanco - Construction Loan

In July 2024, Orrstown Bank issued a construction loan in the maximum principal amount of $4,110,000 to provide for the construction of storage units for Elanco. The construction loan requires monthly payments of principal plus interest with a balloon payment of $3,680,625 due July 2031. Interest is payable at a variable rate equal to one-month term SOFR plus 225 basis points (5.90% at June 30, 2026).

Long-term debt at June 30 is as follows:

	2026	2025
Akron - Series 2011 Bonds	$ 2,135,000	$ 2,310,000
Garden Spot Obligated Group - Series 2024A Refunding Note	49,585,000	50,725,000
Garden Spot Obligated Group - Series 2024B Revenue Note	15,200,000	15,200,000
Frederick Living - Series 2017 Loan	13,304,148	14,045,725
Frederick Living - Loan payable	3,199,879	3,399,879
Elanco - Construction loan	4,044,414	4,104,982
Total	87,468,441	89,785,586
Unamortized deferred financing costs, net	(580,284)	(607,083)
Unamortized bond premium	2,044,778	2,131,219
Less current maturities	(2,426,082)	(2,392,230)
Total	$ 86,506,853	$ 88,917,492

Annual principal maturities on long-term debt are as follows for the years ending June 30:

2027	$ 2,426,082
2028	5,422,659
2029	2,548,362
2030	2,676,398
2031	5,422,836
Thereafter	68,972,104
Total	$ 87,468,441

Interest Rate Swap Agreements

In July 2024, Elanco entered into an interest rate swap agreement with Orrstown Bank, which is scheduled to expire in July 2031. According to the terms of the swap agreement, if the one-month term SOFR Index plus 225 basis points (5.90% at June 30, 2026) is less than the fixed rate of 6.59%, Elanco must make a monthly payment to the counterparty to the agreement. Conversely, if the SOFR Index plus 225 basis points is more than the fixed rate, the counterparty to the swap agreement must make a monthly payment to Elanco. The monthly payments are calculated by multiplying the notional amount ($4,044,414 at June 30, 2026) by the difference between the one-month term SOFR Index plus 225 basis points and the fixed rate. The fair value of the swap agreement is estimated to be the amount Elanco would have to pay to terminate the swap agreement at June 30, 2026 and 2025, respectively. Elanco estimates that it would have to pay $82,506 and $190,336 on June 30, 2026 and 2025, respectively, to terminate the agreement. These amounts are classified as derivative financial instrument in the consolidated balance sheets.

Changes in the fair value of the swap agreement are included in revenues in excess of expenses since the agreement is not designated as a hedging instrument. The change in the fair value of the swap agreement is classified as change in fair value of derivative financial instrument in the consolidated statements of operations and was $107,830 and $(1,604,682) in 2026 and 2025, respectively. The payments to or from the counterparty are classified as a component of interest expense in the consolidated statements of operations or capitalized to property and equipment in the consolidated balance sheets if the funds from loan issued are used to finance construction. As a result of the swap agreement, the net interest paid was increased by $17,615 in 2026 and the net interest paid was reduced by $288,440 in 2025.

8. Leases

GSC Leasing has entered into an operating lease for an apartment building in Harrisburg, Pennsylvania. The lease has an initial term of 10 years and includes two options to renew for an additional five years with each option. For leases where GSC Leasing is reasonably certain to exercise its renewal option, the option periods are included within the lease term, and therefore, in the measurement of the right-of-use assets and lease obligations. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets and expenses for these leases are recognized on a straight-line basis over the lease term as an operating expense.

The lease includes an option to purchase the leased assets. GSC Leasing assesses the likelihood of exercising the purchase option using a "reasonably certain" threshold, which is understood to be a high threshold, and therefore, purchase options are generally accounted for when a compelling economic reason to exercise the option exists. The lease includes an option to terminate the lease, the terms and conditions of which vary by contract. These options allow the parties to the contract to terminate their obligations typically in return for an agreed-upon financial consideration amount. GSC Leasing's lease agreements do not contain material residual value guarantees.

GSC Leasing makes certain assumptions and judgments in determining the discount rate, as most leases do not provide an implicit rate. GSC Leasing has elected, under its classification of not being considered a public business entity, to use a risk-free discount rate in determining the present value of lease payments for the leases which was determined using a period comparable with that of the remaining lease term.

Future minimum payments under lease obligations as of June 30, 2026 were as follows:

Years ending June 30:	
2027	$ 779,000
2028	779,000
2029	779,000
2030	779,000
2031	779,000
Thereafter	3,862,645
Total	7,757,645
Less:	
Amounts representing present value discount	1,567,720
Current portion	497,564
Long-term obligation	$ 5,692,361

Operating lease costs were $32,458 in 2026 and are included in administrative expenses in the accompanying consolidated statements of operations.

Other supplemental information as of and for the years ended June 30, 2026 is as follows:

Weighted-average remaining lease term:	
Operating lease obligation	9.96 years
Weighted-average discount rate:	
Operating lease obligation	4.77%

9. Accrued Expenses

Accrued expenses consist of the following at June 30:

	2026	2025
Salaries and benefits	$ 2,117,926	$ 1,823,246
Paid time off	1,732,048	1,590,438
Interest	638,859	667,072
Other	812,347	916,841
Total	$ 5,301,180	$ 4,997,597

10. Rental Revenues

GSV, LLC leases a building to Wellspan Properties, Inc. (the Hospital) under a noncancelable operating lease. Rent revenue was $1,293,194 and $1,280,803 in 2026 and 2025, respectively. In addition to the annual lease payments, the Hospital is required to reimburse GSV, LLC for certain operating expenses. Total reimbursements received were $288,696 and $235,812 in 2026 and 2025, respectively, and are included in other revenues in the consolidated statements of operations. The lease is scheduled to expire on September 30, 2030.

The Organization's accounting for real estate leases does not require significant assumptions and judgments. The Organization does not have any material leasing transactions with related parties. The Organization also has other rental income in connection with year-to-year leases.

The table below summarizes the Organization's future undiscounted cash flows to be received for years ending after June 30:

2027	$ 1,264,022
2028	1,276,662
2029	1,289,429
2030	1,302,323
2031	217,413
Total lease payments to be received	$ 5,349,849

11. Retirement Plan

The Organization sponsors a defined contribution retirement plan (the Plan). Contributions to the Plan were approximately $1,086,000 and $1,004,000 in 2026 and 2025, respectively.

12. Net Assets With Donor Restrictions

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

	2026	2025
Subject to expenditure for specified purpose		
Donor restricted for operating purposes	$ 952,446	$ 182,768
Donor restricted for capital purposes	499,087	415,339
Pledges receivable for capital purposes	1,137,559	93,915
Subject to spending policy and appropriation:		
Endowment fund (maintained in perpetuity)	464,551	464,551
Not subject to spending policy or appropriation:		
Beneficial interest in perpetual trusts (maintained in perpetuity)	789,675	716,900
Total	$ 3,843,318	$ 1,873,473

13. Functional Expenses

The Organization's expenses for resident services (including nursing, dietary, social services, housekeeping and laundry, plant operations, real estate taxes and utilities), management and general (including administrative and marketing) and fundraising (included within administrative) are as follows for the years ended June 30:

	2026			
	Resident Services	Management and General	Fundraising	Total
Salaries and wages	$ 28,826,660	$ 5,447,997	$ 391,575	$ 34,666,232
Other operational expenses	11,051,020	7,332,703	120,500	18,504,223
Employee benefits and payroll taxes	7,211,344	1,452,399	98,812	8,762,555
Ancillary care services	2,376,205	1,074	-	2,377,279
Food	3,788,501	27,638	127	3,816,266
Real estate taxes	2,795,100	-	-	2,795,100
Utilities	3,156,528	-	-	3,156,528
Depreciation	12,070,464	-	-	12,070,464
Interest	4,045,689	-	-	4,045,689
Total	$ 75,321,511	$ 14,261,811	$ 611,014	$ 90,194,336

	2025			
	Resident Services	Management and General	Fundraising	Total
Salaries and wages	$ 27,018,932	$ 4,982,091	$ 268,179	$ 32,269,202
Other operational expenses	10,280,834	5,757,862	63,507	16,102,203
Employee benefits and payroll taxes	6,506,807	1,226,546	63,242	7,796,595
Ancillary care services	2,465,802	5,994	-	2,471,796
Food	3,512,200	24,016	15	3,536,231
Real estate taxes	2,626,277	-	-	2,626,277
Utilities	2,745,287	-	-	2,745,287
Depreciation	11,145,635	-	-	11,145,635
Interest	3,846,709	-	-	3,846,709
Total	$ 70,148,483	$ 11,996,509	$ 394,943	$ 82,539,935

Directly identifiable expenses are charged to resident services and fundraising. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide overall support and direction of the Organization.

14. Medical Malpractice Claims Coverage

The Organization maintains professional liability coverage on a claims-made basis. Other than for premiums paid under this policy, no provision has been made for estimated losses. Management believes no incidents occurred or will be asserted that will exceed the Organization's insurance coverage or will have a material adverse effect on the consolidated financial statements.

15. Commitments and Contingencies

Self-Insured Health Insurance

The Organization self-insures certain of its health insurance benefits. The Organization believes costs associated with its self-insured health insurance benefits have been properly accounted for and accrued at June 30, 2026 and 2025.

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 Organization, if any, are not determinable.

16. Concentrations of Credit Risk

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

The Organization maintains cash accounts, which, at times, may exceed federally insured limits. The Organization 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.

Garden Spot Communities and Subsidiaries

Supplementary Information
Consolidating Schedule, Balance Sheet
June 30, 2026

	Obligated Group											GSC Ventures, Inc.			
	Garden Spot Village	GSV, LLC	Eliminations	Totals	At Home Services, LLC	Garden Spot Village of Akron	Frederick Living	Garden Spot Communities	Garden Spot CoLiving, LLC	TrellisWorks	Garden Spot CCaH, LLC	GSC Leasing, LLC	Elanco Self Storage	GSC Property Holdings, LLC	Eliminations	Consolidated Totals
Assets																
Current Assets																
Cash and cash equivalents	$ 19,313,242	$ -	$ -	$ 19,313,242	$ -	$ 290,912	$ 3,125,216	$ 1,059,801	$ -	$ 391,989	$ 118,820	$ 4,815	$ 158,505	$ -	$ -	$ 24,463,300
Assets whose use is limited, resident trust funds	2,257,374	-	-	2,257,374	-	7,141	23,940	-	-	-	-	-	-	-	-	2,288,455
Accounts receivable:																
Residents, net	903,382	-	-	903,382	60,812	465,190	605,141	-	810	-	-	3,871	-	-	-	2,039,206
Other	145,786	-	-	145,786	-	-	-	22,045	-	-	11,800	-	1,194	-	-	180,825
Pledges receivable, net	-	-	-	-	-	-	36,176	-	-	215,156	-	-	-	-	-	251,332
Prepaid expenses and other current assets	1,886,635	-	-	1,886,635	-	53,804	246,737	73,656	-	(65,008)	-	-	-	-	-	2,195,824
Due from affiliates	9,810,231	14,933,006	(14,877,545)	9,865,692	20,887	137,636	1,597	1,562,253	79,712	5,508	21	-	-	-	(11,673,306)	-
Total current assets	34,316,650	14,933,006	(14,877,545)	34,372,111	81,699	954,683	4,038,807	2,717,755	80,522	547,645	130,641	8,686	159,699	-	(11,673,306)	31,418,942
Investments	24,483,209	-	-	24,483,209	-	-	2,284,058	1,628,202	-	-	-	-	-	-	-	28,395,469
Assets Whose Use is Limited																
Board-designated	14,353,980	-	-	14,353,980	-	-	9,276,794	-	-	-	-	-	-	-	-	23,630,774
Statutory liquid minimum reserve	4,381,767	-	-	4,381,767	-	-	1,490,439	-	-	-	79,089	-	-	-	-	5,951,295
Under trust indenture, held by trustee	9,335,370	-	-	9,335,370	-	-	-	-	-	-	-	-	647,842	-	-	9,983,212
Total assets whose use is limited	28,071,117	-	-	28,071,117	-	-	10,767,233	-	-	-	79,089	-	647,842	-	-	39,565,281
Property and Equipment, Net																
Cost	246,080,399	8,700,634	-	254,781,033	220,352	9,435,527	50,828,936	641,725	-	-	-	102,164	5,323,517	-	-	321,333,254
Accumulated depreciation	(118,893,819)	(5,753,440)	-	(124,647,259)	(176,174)	(4,193,414)	(6,211,390)	(175,298)	-	-	-	(331)	(132,785)	-	-	(135,536,651)
Property and equipment, net	127,186,580	2,947,194	-	130,133,774	44,178	5,242,113	44,617,546	466,427	-	-	-	101,833	5,190,732	-	-	185,796,603
Beneficial Interest in Perpetual Trusts	-	-	-	-	-	-	789,675	-	-	-	-	-	-	-	-	789,675
Investment in Partnership	-	-	-	-	-	-	-	3,413,329	-	-	-	-	-	1,784,366	(3,413,329)	1,784,366
Interest in Net Assets of the Foundation	64,676	-	-	64,676	-	-	3,283	-	-	-	-	-	-	-	(67,959)	-
Pledges Receivable, Net	-	-	-	-	-	-	32,863	-	-	853,364	-	-	-	-	-	886,227
Operating Right-of-Use Asset	-	-	-	-	-	-	-	-	-	-	-	6,189,925	866,302	-	(866,302)	6,189,925
Total assets	$ 214,122,232	$ 17,880,200	$ (14,877,545)	$ 217,124,887	$ 125,877	$ 6,196,796	$ 62,533,465	$ 8,225,713	$ 80,522	$ 1,401,009	$ 209,730	$ 6,300,444	$ 6,864,575	$ 1,784,366	$ (16,020,896)	$ 294,826,488

Garden Spot Communities and Subsidiaries

Supplementary Information
Consolidating Schedule, Balance Sheet
June 30, 2026

	Obligated Group												GSC Ventures, Inc.			
	Garden Spot Village	GSV, LLC	Eliminations	Totals	At Home Services, LLC	Garden Spot Village of Akron	Frederick Living	Garden Spot Communities	Garden Spot CoLiving, LLC	TrellisWorks	Garden Spot CCaH, LLC	GSC Leasing, LLC	Elanco Self Storage	GSC Property Holdings, LLC	Eliminations	Consolidated Totals
Liabilities and Net Assets (Deficit)																
Current Liabilities																
Current maturities of long-term debt	$ 1,195,000	$ -	$ -	$ 1,195,000	$ -	$ 180,000	$ 986,363	$ -	$ -	$ -	$ -	$ -	$ 64,719	$ -	$ -	$ 2,426,082
Current portion of operating lease obligation	-	-	-	-	-	-	-	-	-	-	-	497,564	19,591	-	(19,591)	497,564
Accounts payable:																
Trade	1,222,246	-	-	1,222,246	-	134,395	661,093	52,790	-	-	-	-	5,185	-	-	2,075,709
Construction	2,473,780	-	-	2,473,780	-	-	72,392	-	-	-	-	-	-	-	-	2,546,172
Entrance fee refunds	833,318	-	-	833,318	-	-	549,156	-	-	-	-	-	-	-	-	1,382,474
Accrued expenses	2,888,968	92,968	-	2,981,936	42,754	451,604	1,015,241	617,741	-	18,284	17,261	3,272	153,087	-	-	5,301,180
Deferred grant revenue	40,000	-	-	40,000	-	-	-	-	-	-	-	-	-	-	-	40,000
Resident trust funds	2,257,374	-	-	2,257,374	-	7,141	23,940	-	-	-	-	-	-	-	-	2,288,455
Deposits from prospective residents	8,827,090	-	-	8,827,090	-	-	178,512	-	-	-	-	-	-	-	-	9,005,602
Due to affiliates	14,957,255	593,164	(14,877,545)	672,874	1,434,065	3,433,686	2,568,785	2,401,864	6,272	34,759	738,417	200,733	181,851	-	(11,673,306)	-
Total current liabilities	34,695,031	686,132	(14,877,545)	20,503,618	1,476,819	4,206,826	6,055,482	3,072,395	6,272	53,043	755,678	701,569	424,433	-	(11,692,897)	25,563,238
Long-Term Debt	65,202,832	-	-	65,202,832	-	1,904,395	15,517,664	-	-	-	-	-	3,881,962	-	-	86,506,853
Refundable Entrance Fees	4,695,729	-	-	4,695,729	-	-	12,975,391	-	-	-	-	-	-	-	-	17,671,120
Deferred Revenue From Entrance Fees	72,197,809	-	-	72,197,809	-	-	13,916,666	-	-	-	183,367	-	-	-	-	86,297,842
Operating Lease Obligation	-	-	-	-	-	-	-	-	-	-	-	5,692,361	846,711	-	(846,711)	5,692,361
Derivative Financial Instrument	-	-	-	-	-	-	-	-	-	-	-	-	82,506	-	-	82,506
Total liabilities	176,791,401	686,132	(14,877,545)	162,599,988	1,476,819	6,111,221	48,465,203	3,072,395	6,272	53,043	939,045	6,393,930	5,235,612	-	(12,539,608)	221,813,920
Net Assets (Deficit)																
Without donor restrictions	36,586,405	17,194,068	-	53,780,473	(1,350,942)	79,033	12,255,919	5,153,318	74,250	67,959	(729,315)	(93,486)	1,628,963	1,784,366	(3,481,288)	69,169,250
With donor restrictions	744,426	-	-	744,426	-	6,542	1,812,343	-	-	1,280,007	-	-	-	-	-	3,843,318
Total net assets (deficit)	37,330,831	17,194,068	-	54,524,899	(1,350,942)	85,575	14,068,262	5,153,318	74,250	1,347,966	(729,315)	(93,486)	1,628,963	1,784,366	(3,481,288)	73,012,568
Total liabilities and net assets (deficit)	$ 214,122,232	$ 17,880,200	$ (14,877,545)	$ 217,124,887	$ 125,877	$ 6,196,796	$ 62,533,465	$ 8,225,713	$ 80,522	$ 1,401,009	$ 209,730	$ 6,300,444	$ 6,864,575	$ 1,784,366	$ (16,020,896)	$ 294,826,488

Garden Spot Communities and Subsidiaries

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

	Obligated Group												GSC Ventures, Inc.			
	Garden Spot Village	GSV, LLC	Eliminations	Totals	At Home Services, LLC	Garden Spot Village of Akron	Frederick Living	Garden Spot Communities	Garden Spot CoLiving, LLC	TrellisWorks	Garden Spot CCaH, LLC	GSC Leasing, LLC	Elanco Self Storage	GSC Property Holdings, LLC	Eliminations	Consolidated Totals
Revenues Without Donor Restrictions																
Net resident service revenues	$ 52,824,379	$ -	$ -	$ 52,824,379	$ 557,390	$ 8,294,159	$ 23,759,571	$ -	$ 1,579	$ -	$ 22,104	$ 3,127	$ -	$ -	$ -	$ 85,462,309
Management fee	276,240	-	(265,331)	10,909	-	-	-	5,421,935	-	-	-	-	-	-	(5,432,844)	-
Rent	39,377	1,348,656	-	1,388,033	-	16,260	3,000	-	72,398	-	-	-	-	-	(55,462)	1,424,229
Grant revenues	5,792,198	-	-	5,792,198	-	-	3,056,321	-	-	-	-	-	-	-	-	8,848,519
Other revenues	560,969	288,696	-	849,665	6,411	9,158	338,499	349,090	46	-	-	743	204,817	-	-	1,758,429
Net assets released from restrictions used for operations	31,148	-	-	31,148	-	-	12,112	-	-	9,267	-	-	-	-	-	52,527
Total revenues without donor restrictions	59,524,311	1,637,352	(265,331)	60,896,332	563,801	8,319,577	27,169,503	5,771,025	74,023	9,267	22,104	3,870	204,817	-	(5,488,306)	97,546,013
Expenses																
Nursing	14,532,301	-	-	14,532,301	620,380	5,163,713	7,591,150	-	-	-	750,301	-	-	-	-	28,657,845
Dietary	6,438,094	-	-	6,438,094	-	461,299	4,265,453	-	-	-	-	-	-	-	-	11,164,846
Social services	1,316,628	-	-	1,316,628	-	356,998	695,512	-	-	-	-	-	-	-	-	2,369,138
Housekeeping and laundry	1,383,567	-	-	1,383,567	-	190,098	987,473	-	-	-	-	-	-	-	-	2,561,138
29	5,353,933	14,241	-	5,368,174	-	512,104	2,867,130	-	-	-	-	-	104,632	-	(55,462)	8,796,578
Real estate taxes	1,803,757	119,955	-	1,923,712	-	88,049	662,000	858	7,489	-	-	-	112,992	-	-	2,795,100
Utilities	2,095,426	154,954	-	2,250,380	-	187,514	692,517	-	14,091	-	-	-	12,026	-	-	3,156,528
Administrative	3,920,982	-	-	3,920,982	181	565,828	1,858,408	5,029,549	-	-	-	38,784	4,776	-	-	11,418,508
Management fee	3,848,388	391,883	(265,331)	3,974,940	42,521	126,831	1,275,085	-	10,909	-	-	-	2,558	-	(5,432,844)	-
Marketing	1,307,834	-	-	1,307,834	-	6,708	499,443	634,761	-	611,011	-	57,955	40,790	-	-	3,158,502
Depreciation	8,597,049	198,076	-	8,795,125	16,673	344,197	2,768,896	31,475	-	-	-	331	113,767	-	-	12,070,464
Interest	2,615,036	-	-	2,615,036	1,946	116,375	1,023,400	1,228	-	3,235	1,118	286	283,065	-	-	4,045,689
Total expenses	53,212,995	879,109	(265,331)	53,826,773	681,701	8,119,714	25,186,467	5,697,871	32,489	614,246	751,419	97,356	674,606	-	(5,488,306)	90,194,336
Operating income (loss)	6,311,316	758,243	-	7,069,559	(117,900)	199,863	1,983,036	73,154	41,534	(604,979)	(729,315)	(93,486)	(469,789)	-	-	7,351,677
Other Income (Loss)																
Investment income	2,580,022	-	-	2,580,022	-	4,932	423,184	38,297	-	-	-	-	15,843	-	-	3,062,278
Contributions	1,124,222	-	-	1,124,222	-	-	-	-	-	1,171,673	-	-	-	-	-	2,295,895
Change in net unrealized gains on investments	2,333,173	-	-	2,333,173	-	-	939,477	39,443	-	-	-	-	-	-	-	3,312,093
Change in fair value of derivative financial instrument	-	-	-	-	-	-	-	-	-	-	-	-	107,830	-	-	107,830
Grants received (given) by TrellisWorks	340,868	-	-	340,868	-	-	157,867	-	-	(498,735)	-	-	-	-	-	-
Change in interest of net assets of TrellisWorks	64,676	-	-	64,676	-	-	3,283	-	-	-	-	-	-	-	(67,959)	-
Change in interest in GSC Ventures	-	-	-	-	-	-	-	(718,042)	-	-	-	-	-	-	718,042	-
Change in interest in equity investment	-	-	-	-	-	-	-	-	-	-	-	-	-	(36,301)	-	(36,301)
Revenues in excess of (less than) expenses	12,754,277	758,243	-	13,512,520	(117,900)	204,795	3,506,847	(567,148)	41,534	67,959	(729,315)	(93,486)	(346,116)	(36,301)	650,083	16,093,472
Transfers (to) From Affiliates	(877,836)	-	-	(877,836)	-	877,836	-	-	-	-	-	-	-	-	-	-
Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	130,000	20,000	(150,000)	-
Net Assets Released From Restrictions Used for Purchase of Property and Equipment	26,000	-	-	26,000	-	-	-	-	-	-	-	-	-	-		26,000
Change in net assets (deficit) without donor restrictions	$ 11,902,441	$ 758,243	$ -	$ 12,660,684	$ (117,900)	$ 1,082,631	$ 3,506,847	$ (567,148)	$ 41,534	$ 67,959	$ (729,315)	$ (93,486)	$ (216,116)	$ (16,301)	$ 500,083	$ 16,119,472
Net Assets With Donor Restrictions																
Contributions	$ 667,161	$ -	$ -	$ 667,161	$ -	$ 1,394	$ 18,073	$ -	$ -	$ 1,288,969	$ -	$ -	$ -	$ -	$ -	$ 1,975,597
Valuation gain, beneficial interest in perpetual trusts	-	-	-	-	-	-	72,775	-	-	-	-	-	-	-	-	72,775
Net assets released from restrictions used for purchase of property and equipment	(26,000)	-	-	(26,000)	-	-	-	-	-	-	-	-	-	-	-	(26,000)
Net assets released from restrictions used for operations	(31,148)	-	-	(31,148)	-	-	(12,112)	-	-	(9,267)	-	-	-	-	-	(52,527)
Change in net assets with donor restrictions	610,013	-	-	610,013	-	1,394	78,736	-	-	1,279,702	-	-	-	-	-	1,969,845
Change in net assets (deficit)	12,512,454	758,243	-	13,270,697	(117,900)	1,084,025	3,585,583	(567,148)	41,534	1,347,661	(729,315)	(93,486)	(216,116)	(16,301)	500,083	18,089,317
Net Assets (Deficit), Beginning	24,818,377	16,435,825	-	41,254,202	(1,233,042)	(998,450)	10,482,679	5,720,466	32,716	305	-	-	1,845,079	1,800,667	(3,981,371)	54,923,251
Net Assets (Deficit), Ending	$ 37,330,831	$ 17,194,068	$ -	$ 54,524,899	$ (1,350,942)	$ 85,575	$ 14,068,262	$ 5,153,318	$ 74,250	$ 1,347,966	$ (729,315)	$ (93,486)	$ 1,628,963	$ 1,784,366	$ (3,481,288)	$ 73,012,568

Garden Spot Communities and Subsidiaries

Supplementary Information
Consolidating Schedule, Balance Sheet
June 30, 2025

	Obligated Group										GSC Ventures, Inc.			
	Garden Spot Village	GSV, LLC	Eliminations	Totals	At Home Services, LLC	Garden Spot Village of Akron	Frederick Living	Garden Spot Communities	Garden Spot CoLiving, LLC	TrellisWorks	Elanco Self Storage	GSC Property Holdings, LLC	Eliminations	Consolidated Totals
Assets														
Current Assets														
Cash and cash equivalents	$ 11,587,320	$ -	$ -	$ 11,587,320	$ -	$ 262,623	$ 1,063,217	$ 576,390	$ -	$ 1,933	$ 42,446	$ -	$ -	$ 13,533,929
Assets whose use is limited, resident trust funds	1,893,287	-	-	1,893,287	-	6,726	19,413	-	-	-	-	-	-	1,919,426
Accounts receivable:														
Residents, net	1,255,328	-	-	1,255,328	51,169	582,344	700,826	-	833	-	-	-	-	2,590,500
Other	205,410	-	-	205,410	(5,597)	-	1,848	32,618	-	-	812	-	-	235,091
Prepaid expenses and other current assets	2,513,777	-	-	2,513,777	-	45,967	192,236	86,458	-	-	-	-	-	2,838,438
Due from affiliates	9,052,522	13,901,820	(13,901,820)	9,052,522	13,396	7,794	13,667	2,548,040	32,813	292	-	-	(11,668,524)	-
Total current assets	26,507,644	13,901,820	(13,901,820)	26,507,644	58,968	905,454	1,991,207	3,243,506	33,646	2,225	43,258	-	(11,668,524)	21,117,384
Investments	21,898,610	-	-	21,898,610	-	-	1,926,253	1,424,286	-	-	-	-	-	25,249,149
Assets Whose Use is Limited														
Board designated	10,482,731	-	-	10,482,731	-	-	8,294,744	-	-	-	-	-	-	18,777,475
Statutory liquid minimum reserve	4,086,203	-	-	4,086,203	-	-	1,381,009	-	-	-	-	-	-	5,467,212
Under trust indenture, held by trustee	12,602,857	-	-	12,602,857	-	-	-	-	-	-	1,257,363	-	-	13,860,220
Total assets whose use is limited	27,171,791	-	-	27,171,791	-	-	9,675,753	-	-	-	1,257,363	-	-	38,104,907
Property and Equipment, Net														
Cost	234,326,669	8,677,609	-	243,004,278	209,011	9,270,745	48,346,547	641,725	-	-	5,321,372	-	-	306,793,678
Accumulated depreciation	(110,516,959)	(5,555,365)	-	(116,072,324)	(159,501)	(3,849,218)	(3,444,812)	(143,823)	-	-	(19,018)	-	-	(123,688,696)
Property and equipment, net	123,809,710	3,122,244	-	126,931,954	49,510	5,421,527	44,901,735	497,902	-	-	5,302,354	-	-	183,104,982
Beneficial Interest in Perpetual Trusts	-	-	-	-	-	-	716,900	-	-	-	-	-	-	716,900
Investment in Partnership	-	-	-	-	-	-	-	3,981,371	-	-	-	1,800,667	(3,981,371)	1,800,667
Pledges Receivable, Net	-	-	-	-	-	-	93,916	-	-	-	-	-	-	93,916
Total assets	$ 199,387,755	$ 17,024,064	$ (13,901,820)	$ 202,509,999	$ 108,478	$ 6,326,981	$ 59,305,764	$ 9,147,065	$ 33,646	$ 2,225	$ 6,602,975	$ 1,800,667	$ (15,649,895)	$ 270,187,905

Garden Spot Communities and Subsidiaries

Supplementary Information
Consolidating Schedule, Balance Sheet
June 30, 2025

	Obligated Group										GSC Ventures, Inc.			
	Garden Spot Village	GSV, LLC	Eliminations	Totals	At Home Services, LLC	Garden Spot Village of Akron	Frederick Living	Garden Spot Communities	Garden Spot CoLiving, LLC	TrellisWorks	Elanco Self Storage	GSC Property Holdings, LLC	Eliminations	Consolidated Totals
Liabilities and Net Assets (Deficit)														
Current Liabilities														
Lines of credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Current maturities of long-term debt	1,140,000	-	-	1,140,000	-	175,000	1,016,662	-	-	-	60,568	-	-	2,392,230
Accounts payable:														
Trade	935,984	-	-	935,984	-	188,017	732,808	(200)	-	-	2,146	-	-	1,858,755
Construction	1,096,574	-	-	1,096,574	-	-	180,656	-	-	-	143,732	-	-	1,420,962
Entrance fee refunds	648,722	-	-	648,722	-	-	766,534	-	-	-	-	-	-	1,415,256
Accrued expenses	2,798,737	121,627	-	2,920,364	40,238	431,547	1,036,040	531,687	-	-	37,721	-	-	4,997,597
Deferred grant revenue	8,241	-	-	8,241	-	-	-	-	-	-	-	-	-	8,241
Resident trust funds	1,893,287	-	-	1,893,287	-	6,726	19,413	-	-	-	-	-	-	1,919,426
Deposits From Prospective Residents	8,351,210	-	-	8,351,210	-	-	198,761	-	-	-	-	-	-	8,549,971
Due to affiliates	13,941,287	466,612	(13,901,820)	506,079	1,301,282	4,444,849	2,137,391	2,895,112	930	1,920	380,961	-	(11,668,524)	-
Total current liabilities	30,814,042	588,239	(13,901,820)	17,500,461	1,341,520	5,246,139	6,088,265	3,426,599	930	1,920	625,128	-	(11,668,524)	22,562,438
Long-Term Debt	66,466,826	-	-	66,466,826	-	2,079,292	16,428,942	-	-	-	3,942,432	-	-	88,917,492
Refundable Entrance Fees	5,410,714	-	-	5,410,714	-	-	13,251,570	-	-	-	-	-	-	18,662,284
Deferred Revenue From Entrance Fees	71,877,796	-	-	71,877,796	-	-	13,054,308	-	-	-	-	-	-	84,932,104
Derivative Financial Instrument	-	-	-	-	-	-	-	-	-	-	190,336	-	-	190,336
Total liabilities	174,569,378	588,239	(13,901,820)	161,255,797	1,341,520	7,325,431	48,823,085	3,426,599	930	1,920	4,757,896	-	(11,668,524)	215,264,654
Net Assets (Deficit)														
Without donor restrictions	24,683,964	16,435,825	-	41,119,789	(1,233,042)	(1,003,598)	8,749,072	5,720,466	32,716	-	1,845,079	1,800,667	(3,981,371)	53,049,778
With donor restrictions	134,413	-	-	134,413	-	5,148	1,733,607	-	-	305	-	-	-	1,873,473
Total net assets (deficit)	24,818,377	16,435,825	-	41,254,202	(1,233,042)	(998,450)	10,482,679	5,720,466	32,716	305	1,845,079	1,800,667	(3,981,371)	54,923,251
Total liabilities and net assets (deficit)	$ 199,387,755	$ 17,024,064	$ (13,901,820)	$ 202,509,999	$ 108,478	$ 6,326,981	$ 59,305,764	$ 9,147,065	$ 33,646	$ 2,225	$ 6,602,975	$ 1,800,667	$ (15,649,895)	$ 270,187,905

Garden Spot Communities and Subsidiaries

Supplementary Information
Consolidating Schedule, Statement of Operations
Year Ended June 30, 2025

	Obligated Group										GSC Ventures, Inc.			
	Garden Spot Village	GSV, LLC	Eliminations	Totals	At Home Services, LLC	Garden Spot Village of Akron	Frederick Living	Garden Spot Communities	Garden Spot CoLiving, LLC	TrellisWorks	Elanco Self Storage	GSC Property Holdings, LLC	Eliminations	Consolidated Totals
Revenues Without Donor Restrictions														
Net resident service revenues	$ 51,097,466	$ -	$ -	$ 51,097,466	$ 460,622	$ 7,351,403	$ 21,777,903	$ -	$ 1,328	$ -	$ -	$ -	$ -	$ 80,688,722
Management fee	264,450	-	(255,779)	8,671	-	-	-	4,821,571	-	-	-	-	(4,830,242)	-
Rent	41,500	1,280,803	-	1,322,303	-	13,800	3,000	-	34,322	-	-	-	-	1,373,425
Grant revenues	32,235	-	-	32,235	-	11,380	-	4,000	-	-	-	-	-	47,615
Other revenues	573,548	235,812	-	809,360	5,275	19,725	240,938	45,129	122	-	50,923	-	-	1,171,472
Net assets released from restrictions used for operations	119,345	-	-	119,345	-	-	13,612	-	-	-	-	-	-	132,957
Total revenues without donor restrictions	52,128,544	1,516,615	(255,779)	53,389,380	465,897	7,396,308	22,035,453	4,870,700	35,772	-	50,923	-	(4,830,242)	83,414,191
Expenses														
Nursing	14,283,086	-	-	14,283,086	542,821	5,331,005	7,136,614	-	-	-	-	-	-	27,293,526
Dietary	6,078,913	-	-	6,078,913	-	450,391	3,707,826	-	-	-	-	-	-	10,237,130
Social services	1,246,562	-	-	1,246,562	-	332,415	544,315	-	-	-	-	-	-	2,123,292
Housekeeping and laundry	1,294,163	-	-	1,294,163	-	190,504	890,075	-	-	-	-	-	-	2,374,742
Plant operations	4,872,835	13,441	-	4,886,276	-	473,289	2,774,560	-	-	-	12,767	-	-	8,146,892
Real estate taxes	1,740,500	115,203	-	1,855,703	-	84,974	639,899	842	7,192	-	37,667	-	-	2,626,277
Utilities	1,840,081	107,488	-	1,947,569	-	177,420	606,634	-	8,949	-	4,715	-	-	2,745,287
Administrative	2,820,397	-	-	2,820,397	566	626,905	1,484,868	4,356,910	-	-	12,076	-	-	9,301,722
Management fee	3,448,062	369,526	(255,779)	3,561,809	35,305	94,849	1,129,611	-	8,668	-	-	-	(4,830,242)	-
Marketing	1,580,423	-	-	1,580,423	-	5,820	476,553	615,971	-	-	19,956	-	-	2,698,723
Depreciation	8,042,392	217,116	-	8,259,508	17,259	322,482	2,495,772	31,626	-	-	18,988	-	-	11,145,635
Interest	2,644,579	-	-	2,644,579	1,481	135,959	969,227	256	-	-	95,207	-	-	3,846,709
Total expenses	49,891,993	822,774	(255,779)	50,458,988	597,432	8,226,013	22,855,954	5,005,605	24,809	-	201,376	-	(4,830,242)	82,539,935
Operating income (loss)	2,236,551	693,841	-	2,930,392	(131,535)	(829,705)	(820,501)	(134,905)	10,963	-	(150,453)	-	-	874,256
Other Income														
Investment income	1,644,837	-	-	1,644,837	-	-	407,340	186,269	-	-	5,164	-	-	2,243,610
Contributions	841,820	-	-	841,820	-	-	263,932	-	-	-	-	-	-	1,105,752
Change in net unrealized gains on investments	2,102,455	-	-	2,102,455	-	-	540,140	(16,558)	-	-	-	-	-	2,626,037
Change in fair value of derivative financial instrument	(1,414,346)	-	-	(1,414,346)	-	-	-	-	-	-	(190,336)	-	-	(1,604,682)
Loss on refinancing	(558,540)	-		(558,540)	-	-	-	-	-	-	-	-		(558,540)
Revenues in excess of (less than) expenses	4,852,777	693,841	-	5,546,618	(131,535)	(829,705)	390,911	34,806	10,963	-	(335,625)	-	-	4,686,433
Transfers (to) From Affiliates	(1,215,573)	(63,198)	-	(1,278,771)	-	1,278,771	-	-	-	-	-	-	-	-
Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	1,800,667	(1,800,667)	-
Net Assets Released From Restrictions Used for Purchase of Property and Equipment	311,048	-		311,048	-	-	-	-	-	-	-	-		311,048
Change in net assets (deficit) without donor restrictions	$ 3,948,252	$ 630,643	$ -	$ 4,578,895	$ (131,535)	$ 449,066	$ 390,911	$ 34,806	$ 10,963	$ -	$ (335,625)	$ 1,800,667	$ (1,800,667)	$ 4,997,481

Garden Spot Communities and Subsidiaries

Garden Spot Obligated Group Statement of Cash Flows
Year Ended June 30, 2026

Cash Flows From Operating Activities	
Change in net assets	$ 13,270,697
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	8,795,125
Loss on sale of fixed assets	104,144
Amortization of deferred financing costs	17,447
Amortization of bond premium and discount	(86,441)
Net realized and unrealized gains on investments	(3,108,534)
Deposits from prospective residents, net	475,880
Proceeds from nonrefundable entrance fees, existing units	10,883,017
Amortization of entrance fees	(9,637,253)
Restricted contributions	(1,315)
Change in assets and liabilities:	
Accounts receivable, residents and other	411,570
Prepaid expenses and other current assets	627,142
Interest in net assets of the Foundation	(64,676)
Due from affiliates	(646,375)
Accounts payable, trade	286,262
Accrued expenses	61,572
Deferred grant revenue	31,759
Net cash flows provided by operating activities	21,420,021
Cash Flows From Investing Activities	
Purchase of property and equipment	(10,723,883)
Proceeds from sales of investments and assets whose use is limited	2,827,996
Purchases of investments and assets whose use is limited	(6,470,874)
Net cash flows used in investing activities	(14,366,761)
Cash Flows From Financing Activities	
Repayment of long-term debt	(1,140,000)
Refunds of entrance fees	(1,456,140)
Restricted contributions	1,315
Net cash flows used in financing activities	(2,594,825)
Net change in cash and cash equivalents and restricted cash and cash equivalents	4,458,435
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	24,190,177
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 28,648,612
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents	
Cash and cash equivalents	$ 19,313,242
Assets whose use is limited:	
Under trust indenture, held by trustee	9,335,370
Total cash, cash equivalents and restricted cash and cash equivalents	$ 28,648,612
Supplemental Disclosure of Cash Flow Information	
Interest paid	$ 2,618,297
Supplemental Disclosure of Noncash Investing and Financing Activities	
Obligations incurred for the acquisition of property and equipment	$ 2,473,780

Garden Spot Communities and Subsidiaries

Frederick Living Statement of Cash Flows
Year Ended June 30, 2026

Cash Flows From Operating Activities	
Change in net assets	$ 3,585,583
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,768,896
Loss on sale of fixed assets	5,133
Net realized and unrealized gains on investments	(1,116,327)
Deposits from prospective residents, net	(20,249)
Proceeds from nonrefundable entrance fees, existing units	3,977,342
Amortization of entrance fees	(2,989,925)
Change in value of pledges receivable	(19,587)
Valuation gain, beneficial interest in perpetual trusts	(72,775)
Change in assets and liabilities:	
Accounts receivable, residents and other	97,533
Prepaid expenses and other current assets	(54,501)
Interest in net assets of the Foundation	(3,283)
Due from affiliates	443,464
Accounts payable, trade	(71,715)
Accrued expenses	(20,799)
Net cash flows provided by operating activities	6,508,790
Cash Flows From Investing Activities	
Purchase of property and equipment	(2,598,104)
Proceeds from sales of investments and assets whose use is limited	1,842,267
Purchases of investments and assets whose use is limited	(2,175,225)
Net cash flows used in investing activities	(2,931,062)
Cash Flows From Financing Activities	
Repayment of long-term debt	(941,577)
Proceeds from refundable entrance fees, existing units	640,607
Refunds of entrance fees	(1,259,223)
Collections, pledges receivable	44,464
Net cash flows used in financing activities	(1,515,729)
Net change in cash and cash equivalents	2,061,999
Cash and Cash Equivalents, Beginning	1,063,217
Cash and Cash Equivalents, Ending	$ 3,125,216
Supplemental Disclosure of Cash Flow Information	
Interest paid	$ 1,029,979

GARDEN SPOT
COMMUNITIES

EXHIBIT C

Garden Spot Communities
and Subsidiaries
Budgeted Operations

Garden Spot Obligatories

	Budget 2026-2027
Revenue- Accommodation	45,705,664
Revenue- Therapy Charges	1,120,000
Revenue - Ancillary Charges	162,700
Revenue - Other Care Services	313,399
Other Operating Revenue - Resident Services	929,620
Dining Service Revenues	2,460,954
Rental Revenues	1,655,169
Management Fee Revenue	16,000
Other Operating Revenue	97,000
Benevolent Contributions - Operating Offset	0
TOTAL OPERATING REVENUES	52,460,506
Provision for Bad Debts	20,000
Adjust Accommodation - Pay as you Go Allowance	151,137
Adjust Accommodation - Meal Plan Allowance	1,002,050
Contractual Allowance - Accommodation	1,808,575
Contractual Allowance - Ancillary	767,900
Sequestration Adjustment	40,000
Other Adjustment - Medicaid Supplamental Payments	(18,000)
Contractual Allowance - Adult Day Services	32,214
Other Adjustment - Benevolent Care	809,570
Other Adjustment - Coupon/Comp/Courtesy Allowance	1,100
TOTAL CONTRACTUAL & OTHER ADJUSTMENT	4,614,546
NET OPERATING REVENUE	47,845,960
Operating Expenses - Salaries and Wages	17,582,147
Operating Expenses - Benefits	4,603,597
Operating Expenses - Staff Costs	513,627
Operating Expenses - Professional Fees	1,494,673
Operating Expenses - Legal Fees	15,000
Operating Expenses - Management Fees	4,212,920
Operating Expenses - IT Services	2,261,412
Operating Expenses - Therapy Services	530,000
Operating Expenses - Pharmacy Services	180,370
Operating Expenses - Lab Services	30,850
Operating Expenses - Radiology Services	16,000
Operating Expenses - Ancillary/Other Care Services	318,031
Operating Expenses - Sales and Marketing	983,100
Operating Expenses - Food Costs	2,392,064

GARDEN SPOT
COMMUNITIES

EXHIBIT C
Garden Spot Communities
and Subsidiaries
Budgeted Operations

Garden Spot Obligatories

	Budget 2026-2027
Operating Expenses - Events	263,648
Operating Expenses - Supplies/Equipment	1,749,870
Operating Expenses - Office Expenses	95,841
Operating Expenses - Government Expenses	212,000
Operating Expenses - Licenses/Dues/Subscriptions	148,744
Operating Expenses - Other Expenses	0
Operating Expenses - Repairs & Maintenance	1,719,390
Operating Expenses - Refurbisments	210,000
Operating Expenses - Insurance	699,944
Operating Expenses - Property Taxes	1,958,700
Operating Expenses - Utilities	1,482,100
TOTAL OPERATING EXPENSE	43,674,028
Operating Expenses - Interest Expense	2,905,390
TOTAL FIXED EXPENSE	2,905,390
TOTAL OPERATING AND FIXED EXPENSE	46,579,418
TOTAL OPERATING INCOME (LOSS) - BEFORE NON CASH ITEMS	1,266,542
Entrance Fee Amortization Revenue	9,579,706
Operating Expenses - Depreciation and Amortization	(9,559,359)
NET NON CASH ITEMS	20,347
TOTAL OPERATING INCOME (LOSS) - AFTER NON CASH ITEMS	1,286,889

Personalized Plans to Fit Your Needs

SYCAMORE SPRINGS	HOME SIZE Approx. Square Feet	Entrance Fee 4 Year Refund	Entrance Fee 8 Year Refund	Entrance Fee 75% Refund	Monthly Fee Single Occupancy	Monthly Fee Double Occupancy
Linden 1 (1 car)	1,300 sq ft	$388,500	$407,500	$744,500	$2,054	$2,267
Linden 2 (2 car)	1,300 sq ft	$401,500	$421,500	$768,500	$2,097	$2,310
Jackson 1 (1 car)	1,400 sq ft	$399,500	$419,500	$765,500	$2,127	$2,340
Jackson 2 (2 car)	1,400 sq ft	$410,500	$430,500	$786,500	$2,167	$2,380
*Kraybill 1, 2 & 3 (2 car)	1,600 sq ft	$447,500	$469,500	$856,500	$2,391	$2,604
Weaver 1 (1 car)	2,000 sq ft	$496,500	$521,500	$950,500	$2,521	$2,734
*Weaver 2 & 3 (2 car)	2,000 sq ft	$523,500	$549,500	$1,002,500	$2,852	$3,065
Kinzer 1 (2 car)	2,800 sq ft	$591,500	$620,500	$1,132,500	$3,114	$3,327
CARRIAGE HOMES						
Standard Center	1,300 sq ft	$349,500	$366,500	$669,500	$2,234	$2,447
Standard End 1 Car	1,600 sq ft	$413,500	$434,500	$791,500	$2,385	$2,598
Standard End 2 Car	1,600 sq ft	$428,500	$449,500	$820,500	$2,425	$2,638
Deluxe Center	1,500 sq ft	$369,500	$387,500	$707,500	$2,307	$2,520
Deluxe End 1 Car with Loft	2,000 sq ft	$476,500	$500,500	$912,500	$2,717	$2,930
Deluxe End 2 Car with Loft	2,000 sq ft	$514,500	$540,500	$985,500	$2,820	$3,033
COTTAGES						
Standard Center	1,100 sq ft	$289,500	$304,500	$554,500	$1,843	$2,027
Standard End	1,150 sq ft	$314,500	$330,500	$602,500	$1,937	$2,121
Deluxe Center	1,250 sq ft	$328,500	$344,500	$629,500	$2,016	$2,200
Deluxe End	1,300 sq ft	$355,500	$373,500	$680,500	$2,054	$2,238
VILLAGE SQUARE APARTMENTS						
Wingate	886 sq ft	$244,500	$256,500	$468,500	$2,115	$2,789
Hamlin I - 2 BR	1,300 sq ft	$376,500	$395,500	$720,500	$2,618	$3,292
Halstead I - 2 BR	1,300 sq ft	$376,500	$395,500	$720,500	$2,618	$3,292
Ardley I - 2 BR w/Den	1,400 sq ft	$408,500	$428,500	$782,500	$2,762	$3,436
Atworth I - 2 BR w/Den	1,400 sq ft	$408,500	$428,500	$782,500	$2,749	$3,423
**Hamlin II - 2 BR	1,450 sq ft	$417,500	$438,500	$799,500	$2,773	$3,447
**Halstead II - 2 BR	1,450 sq ft	$417,500	$438,500	$799,500	$2,789	$3,463
***Ardley II - 2 BR w/Den	1,500 sq ft	$467,500	$490,500	$895,500	$2,923	$3,597
***Atworth II - 2 BR w/Den	1,500 sq ft	$467,500	$490,500	$895,500	$2,922	$3,596
***Ellsworth II - 3 BR	1,900 sq ft	$520,500	$546,500	$996,500	$3,151	$3,825
GARDEN APARTMENTS						
Studio I	488 sq ft	$106,500	$111,500	$203,500	$1,865	$2,517
Studio II	560 sq ft	$112,500	$118,500	$215,500	$1,865	$2,517
1 BR	725 sq ft	$169,500	$177,500	$324,500	$1,998	$2,650
1 BR w/Den	875 sq ft	$247,500	$259,500	$474,500	$2,167	$2,819
2 BR Standard	975 sq ft	$272,500	$286,500	$521,500	$2,250	$2,902
2 BR Deluxe	1,075 sq ft	$305,500	$321,500	$585,500	$2,336	$2,988
2 BR Deluxe Suite	1,100 sq ft	$352,500	$370,500	$675,500	$2,375	$3,027

Prices vary according to size & location, please see the Amortization & Refund Schedule. *Distinctive Location homes have a more scenic view, are nestled up against beautiful gardens or more private spaces. Ask a sales associate for Distinctive Location pricing. **5th floor apartments include underground parking. Contact sales rep for costs. ***Underground parking space included with this home. Prices effective July 1, 2026. Prices are subject to change.

Garden Spot Village Entrance Fee Refund Amortization Schedule

Depending on the Entrance Fee plan you choose, a portion of the amount you paid may be refunded to you. Use this chart to calculate which percentage of the entrance fee is refunded at different time periods.

If you have questions about which plan is most appropriate for your situation, please feel free to call Sales at 717.355.6000.

AMORTIZATION BASIS	4 Year Refund 2% / Month 24% / Year	8 Year Refund 1% / Month 12% / Year	75% Refund 1% / Month until 75%
6 Month	88%	94%	94%
End of Year 1	76%	88%	88%
Year 2	52%	76%	76%
Year 3	28%	64%	75%
Year 4	4%	52%	75%
Year 5	0%	40%	75%
Year 6		28%	75%
Year 7		16%	75%
Year 8		4%	75%
Year 9		0%	75%
Year 10			75%
Year 11			75%
Year 12			75%
Year 13			75%
Year 14			75%
Year 15+			75%

The refund offered under 75% Refund remains in effect until termination of contract.

EXHIBIT F

EXPANSION OF GARDEN SPOT VILLAGE

Expansion at Sycamore Springs

The expansion at Sycamore Springs is the next chapter in the long-term growth of Garden Spot Village, extending the Sycamore Springs neighborhood south along South Kinzer Avenue in New Holland, Pennsylvania, covering approximately 9 acres of land. Thoughtfully planned and carefully integrated with the existing campus, this new 55+ neighborhood reflects Garden Spot Villages's commitment to purposeful growth, vibrant community life, and environments that support connection, independence, well-being and longevity.

Designed as a walkable, village-style neighborhood, the expansion brings together a rich mix of residences, dining venues, gathering spaces, and green spaces that encourage daily interaction and meaningful relationships. Streets, greens, and shared amenities create a natural rhythm of movement and engagement, offering residents a place that feels both lively and comfortably residential.

A Neighborhood Designed for Connection

At its heart, the expansion at Sycamore Springs is about community. Homes are organized around Beacon Plaza with welcoming streets and landscaped greens. Shared amenities are woven seamlessly into the neighborhood fabric. Residents can walk to dining, meet friends outdoors, or enjoy quiet moments in thoughtfully designed open spaces—all within a setting that feels cohesive, human-scaled, and intentional.

The neighborhood's design balances architectural variety with a unified character, creating visual interest while maintaining a strong sense of place. Natural features and landscaping are integral to the experience, reinforcing a connection to community and enhancing the everyday environment.

A Diverse Mix of Homes and Experiences

The expansion offers a range of residential options, each contributing to the neighborhood's distinctive character.

- **The Beacon Apartments** serve as a signature destination, with 33 apartments ranging in size from 820 sq.ft. one-bedroom apartments to 1,620 sq. ft. two-bedroom with den apartments. Entrance fees are expected to range between $377,000 and $718,000 with expected monthly fees between $3,100 and $5,800. It combines residences with an inviting food hall and storefront-style dining experiences that bring energy to the streetscape and creates a natural gathering place for residents and guests.
- **The Villas** provide a more intimate residential scale, with paired buildings connected by shared entry and amenity spaces. Architectural styles draw inspiration from modern farmhouse and French country traditions, reinforcing a warm, neighborhood feel. There

are 3 Villa buildings named Oak Villa, Birch Villa and Spruce Villa. Each Villa has 24 apartments for a total of 72 ranging in size from 970 sq. ft. one bedroom with den apartments to 1,800 sq. ft two bedroom with den apartments. Entrance fees range between $394,000 and $818,960 with monthly fees between $3,670 and $6,419.

- **The Commons Building** will anchor shared amenities and social spaces, designed to feel like a collection of connected buildings rather than a single large structure.
- **The Lofts Building** introduces a contemporary residential option with integrated parking, adding diversity to the housing mix while supporting convenience and accessibility.

Across the neighborhood, exterior materials such as brick, stone, fiber cement siding, metal accents, and standing-seam roofing are selected for durability, longevity, and visual richness—ensuring the community ages gracefully over time.

Contracts and Financing

For this expansion project, prospective residents pay a non-refundable application fee at the time of submitting a Pre-Entrance Application form. A Reservation Deposit equal to 10% of the applicable entrance fee and a signed Reservation Deposit Agreement assures a prospective resident's placement on the reservation deposit list. Execution of the Resident Agreement occurs at the time the prospective resident selects a house. The final payment reflecting 100% of the entrance fee, less the 10% deposit, is due no later than 30 days after the house is ready for occupancy.

To support the Pre-sale process Garden Spot Villag has established an Entrance Fee Escrow Account as required by the Pennsylvania Continuing Care Provider Registration and Disclosure Act, (Act 82). Any money placed in escrow will be invested in accordance with the provisions of Act 82.

The project will be financed through both a short-term loan and permanent financing components. First generation entrance fees, upon release from the escrow account, will be used to repay the short-term loan. The long-term financing will cover the remaining costs of the project. The timing and structure of financing will be finalized upon satisfaction of pre-sale thresholds required for lender underwriting.

Homes Designed for Comfort and Choice

The new residences at Sycamore Springs are designed to feel like home from the moment residents walk in. Interior spaces are warm, modern, and residential in scale, with multiple finish and color selections that allow for personal expression.

Kitchens feature solid-surface countertops, upgraded cabinetry, and contemporary lighting, while flooring options balance beauty with durability. Bathrooms are thoughtfully designed with comfort, accessibility, and ease of use in mind. Select premium and penthouse residences offer

enhanced finish packages, providing elevated living options for those seeking additional refinement.

Every detail supports aging-in-place, ease of living, and long-term comfort.

Built for Quality, Safety, and Sustainability

Behind the scenes, Sycamore Springs is supported by robust building systems designed for reliability, efficiency, and peace of mind. Energy-efficient mechanical systems, modern life-safety features, secure access controls, and integrated technology contribute to a safe and comfortable living environment.

The site itself reflects a strong commitment to environmental stewardship. Landscaped greens, restored floodplain areas, and naturalized stormwater systems enhance both the beauty and ecological health of the property. Because of local karst geology, stormwater is carefully managed through lined basins and controlled discharge systems, protecting the land and surrounding environment for the long term.

A Natural Extension of Garden Spot Village

The expansion builds on Garden Spot Communities' long-standing reputation for thoughtful planning, operational excellence, and person-centered living. It is intentionally designed to integrate seamlessly with the broader Garden Spot Village campus, strengthening the overall community while offering something new and distinctive.

This neighborhood represents more than expansion—it reflects a continued investment in creating places where people can thrive, connect, and live with purpose today and well into the future.

Final pricing, unit sizes, and design specifications are subject to change; however, Garden Spot Village does not currently anticipate material deviations from the details presented.