Luther Acres
A Luthercare Community

Independent Living . Personal Care
Memory Support . Healthcare . Rehab to Home

2025 Disclosure Statement

The issuance of a Certificate of Authority does not constitute approval, recommendation or endorsement of Luther Acres or Luthercare by the Department of Insurance, nor is it evidence of, nor does it attest to, the accuracy or completeness of the information set out in this Disclosure Statement.

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Summary of Disclosure Statement

1. Community — Luther Acres
   600 East Main Street
   Lititz, PA 17543

2. Provider — Luthercare
   600 East Main Street
   Lititz, PA 17543

3. To discuss how you may become a resident, contact
   Kristen M. Oleary
   Sr. Vice President of Sales, Marketing & Lifestyle Operations
   Luthercare
   600 East Main Street Lititz, PA 17543
   717.626.1171
   www.Luthercare.org

4. Description of community

   Luther Acres retirement community is located in a suburban environment at 600 East Main Street, Lititz, Lancaster County, Pennsylvania. The site consists of approximately 55 acres of land. The campus includes cottages, apartment residences, personal care residences, memory support units, and a licensed skilled nursing and rehabilitation center.

   There are one hundred thirty-two (132) cottages, two apartment buildings with a total of two hundred fifteen (215) apartments, seventy (70) personal care residence apartments and a one hundred-six (106) bed skilled nursing and rehabilitation center.

   Apartments are single floor, one- or two-bedroom residences. and cottages are single floor, with one or two bedrooms, built as single, duplexes, triplexes or quadraplexes.

   Luther Acres has 13 additional cottage units, located within Lititz Reserve, called Luther Acres on Pin Oak Drive. Cottages are single floor, with one or two bedrooms, built as quadraplexes.

   Personal Care residences are single floor, one bedroom or studios. There was a 91% occupancy rate during December 2025.

   Luther Acres Healthcare Center, which is a skilled nursing and rehabilitation center, has private and semi-private residences. There was a 94% occupancy rate during December 2025.

In addition, Luthercare is developing a new independent living neighborhood known as the New Neighborhood at Luther Acres. The New Neighborhood at Luther Acres is planned as an extension of Luthercare's independent living offerings and is intended to provide additional cottage-style residences designed for active older adults seeking a maintenance-free lifestyle. Residences at the New Neighborhood at Luther Acres will be offered solely as independent living and will be affiliated with Luthercare's continuing care system, providing residents priority access to Luthercare-operated personal care, memory support, skilled nursing, and rehabilitation services should future needs arise, subject to the terms and conditions of applicable agreements. The community will encompass an additional 38 cottages. Cottages are single- and two-story floors, with two to three bedrooms, built as quadraplexes.

A waiting list is maintained for all of the residences.

5. Minimum Age Requirement

   Minimum age requirement for admission is 55.

6. Affiliation with Religious Institutions

   Luthercare is the owner and operator of Luther Acres and affiliated with the Lower Susquehanna Synod of the Evangelical Lutheran Church in America. However, the Lower Susquehanna Synod and the Evangelical Lutheran Church in America are not legally responsible for the financial and contractual obligations of Luthercare.

7. Current Resident Population

   There were approximately 605 residents living at Luther Acres as of December 31, 2025.

8. Fees

   Apartments and cottages require an entrance fee. Entrance fees are determined by the square footage of the apartment or cottage, design, location, and entrance plan chosen. The monthly service fee charge is per residence, with a second person fee charged, if applicable.

   The square footage of the residence and level of care determines the personal care per diem fees. The per diem fee charge is per residence, with a second person fee charged, if applicable.

   Skilled nursing care and rehabilitation fees are on a per diem basis.

   All monthly service fees and per diem fees are subject to change upon 30 days advanced written notice to the resident or responsible party. Ancillary rate schedules are subject to change upon 60 days advanced written notice to the resident or responsible party.

Disclosure Statement

Community	Luther Acres 600 East Main Street Lititz, PA 17543
Provider	Luthercare 600 East Main Street Lititz, PA 17543

Luthercare is a nonprofit corporation, incorporated on March 4, 1949. It is affiliated with the Lower Susquehanna Synod of the Evangelical Lutheran Church in America. The organization is tax exempt under section 501(c) (3) of the Internal Revenue Code.

Name and Addresses of Directors

A complete list of the members of the Board of Directors of Luthercare is attached as Appendix I. Biographical affidavits on each Director are on file and available for inspection in the corporate office of Luthercare and copies have been filed with the Department of Insurance of the Commonwealth of Pennsylvania.

Management

Provider

In addition to Luther Acres, Luthercare also owns and operates St. John's Herr Estate, 200 Luther Lane, Columbia, PA 17512. St. John's Herr Estate contains thirty-two (32) cottages, ninety-three (93) residential apartments and forty (40) personal care residence studio apartments.

In addition to these communities, the provider operates a number of other community-based, non-institutional services.

President and CEO

Ms. Marissa Picchini
600 East Main Street, Lititz, PA 17543

Luthercare employed Ms. Picchini since June 2020 and promoted to President and CEO in July 2024. A copy of Ms. Picchini's biographical affidavit is on file and available for inspection in the corporate offices of Luthercare, Lititz, PA, and a copy has been filed with the Insurance Department of the Commonwealth of Pennsylvania.

Members of the Board of Directors

Other than through their association with Luthercare, the Directors have no direct experience in the operation or management of similar services. The Board of Directors is comprised of individuals from many professions and backgrounds, who bring a varied background of experience and knowledge to the Board.

Financial Interest Management and Compliance with Law

From time to time, Luthercare purchases services from organizations for which members of Luthercare's Board of Directors or Financial Advisory Committee hold positions in senior management.

To our knowledge, none of the Directors or the President have anything to disclose pursuant to Section 7(a)(3)(C) (I) or (II) of the Continuing Care Provider Registration and Disclosure Act, regarding noncompliance with the law.

Religious Institution Affiliation

Luthercare is affiliated with the Lower Susquehanna Synod of the Evangelical Lutheran Church in America. However, the Lower Susquehanna Synod and the Evangelical Lutheran Church in America are not legally responsible for the financial and contractual obligations of Luthercare.

Luthercare is exempt from payment of federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. A copy of the IRS exemption ruling is on file and available for inspection in the Corporate office of Luthercare, and a copy has been filed with the Department of Insurance of the Commonwealth of Pennsylvania (see Appendix II).

Statement of Purpose and Mission of the Provider

The Luthercare Constitution and By-laws are on file and available for inspection in the corporate office of Luthercare, and a copy has been filed with the Department of Insurance of the Commonwealth of Pennsylvania.

Description of Physical Property

Luther Acres is a retirement community located at 600 East Main Street, Lititz, Lancaster County, Pennsylvania. The site consists of approximately 55 acres of land. The site is bounded on the north by East Main Street and on the west by South Oak Street. Agricultural land and residential housing are located to the south.

Currently on the site there are one hundred thirty-two (132) cottages, a ninety-five (95) residence apartment building, a one hundred twenty (120) residence apartment building, seventy (70) personal care residence apartments, and one hundred-six (106) skilled nursing beds.

Most cottages are single floor, with one or two bedrooms, built as singles, duplexes, triplexes or quadraplexes. There are some two-bedroom cottages that include a den, and some two-story cottages that include a loft. There are thirteen (13) one-bedroom cottages and one hundred twenty (120) two-bedroom cottages, clustered in fourteen (14) quadraplexes, eight (8) triplexes, twenty-six (26) duplexes, and one (1) unattached cottage.

One apartment building at Luther Acres contains ninety-three (93) one-bedroom with balcony apartments and two (2) two-bedroom with balcony apartments. The second apartment building at Luther Acres contains fifty-six (56) one-bedroom apartments, thirty (30) one-bedroom apartments with a den, and thirty-four (34) two-bedroom apartments.

Luther Acres also has ten (13) units on an adjacent property to the Luther Acres campus, which was developed as "Luther Acres on Pin Oak Drive." These units are one-story, two-bedroom designs.

The New Neighborhood at Luther Acres community, adjacent to the Luther Acres campus, was being established at the end of 2025, but was not yet completed. The community will encompass an additional 38 cottages: (19) two-bedroom, single story cottages; (7) three-bedroom, two-story cottages; and (12) two-bedroom, two-story townhomes.

One apartment building at Luther Acres offers personal care apartments, which contains fourteen (14) studios and fifty-six (56) one-bedrooms. A separate and secured first-floor area provides care for those with dementia and memory impairment.

The skilled nursing and rehabilitation center at Luther Acres presently consists of one hundred six (106) private and semi-private skilled nursing beds. Admission is based on need and fees are on a per-diem basis.

A waiting list is maintained for all residences.

Services Offered

Services offered to apartment and cottage residents, including Luther Acres on Pin Oak Drive residents, are specifically detailed in the Residential Occupancy Agreement. In general, the provider offers recreational and social activities, chaplaincy services, off-street parking, trash removal, and grounds and maintenance services. Services provided do not include telephone, cable, internet, insurance on contents, or housekeeping. The Luther Townhome Apartment and Muhlenberg Apartments monthly service fee each include a meal credit per month per resident to be used at any of our dining venues. Meals may be purchased on an optional basis in the dining rooms. Staff will respond to emergency medical calls in the apartments or cottages, including Luther Acres on Pin Oak Drive and the New Neighborhood at Luther Acres, but nursing care is provided only on a per diem rate.

Fees

Entrance Fees

The square footage of the apartment or cottage, location, and entrance plan chosen determines the amount of the entrance fee. The current entrance fees are contained in Appendix III.

Monthly Fees

Monthly service fees are subject to adjustment upon 30 days advanced written notice to the resident. Services provided through the monthly service fees are detailed in the Residential Occupancy Agreement. The monthly service fee is per residence, not per resident and if applicable, an additional fee for a second resident is charged.

Residential Occupancy Agreement

Resident documents, such as Residential Occupancy Agreement, Applications, Waiting List Policy, Cottage and Apartment Features and Residential Handbook, may be obtained by contacting the marketing office at 717.626.8376.

Credit Report

As part of the application for residency, Luthercare conducts a credit report on applicants, using a nationally recognized credit reporting agency. The organization is in compliance with all requirements of the Fair Credit Reporting Act. The fee to obtain the report is not passed on to prospective residents.

Provisions for Reserve Funding

Luthercare maintains at all times sufficient liquid reserves or marketable government securities to maintain investment balances in excess of the reserve requirements set by the Department of Insurance of the Commonwealth of Pennsylvania.

The Financial Advisory Committee recommends the investment policy guidelines with approval by the Board of Directors. The Financial Advisory Committee is comprised of management staff, board members, and other experienced individuals. Independent brokers chosen by management who are required to follow the guidelines established by the Board of Directors make investment decisions. The Financial Advisory Committee review investments quarterly to ensure that investments comply with adopted policies.

Certified Financial Statements

Attached as Appendix IV are the audited financial statements.

Pro-forma Income Statement

A pro-forma income statement and a narrative description of material differences, if any, between the pro-forma income statement and the actual results of operations during the past year, are included as Appendix V.

Annual Disclosure Statement

Within four months of the end of each fiscal year (December 31), Luthercare will file an annual Disclosure Statement with the Insurance Commissioner, detailing any material differences occurring during the past year pertaining to this Disclosure Statement, along with a pro forma Income Statement for the next fiscal year.

Notice of Right to Rescind

EXHIBIT C

Notice of Right to Rescind

Date rescission period begins _____

You may rescind and terminate Your Independent Living Occupancy Agreement without penalty of forfeiture, within seven (7) days of the above date. You are not required to move into the residence 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.

If you rescind and terminate Your Independent Living Occupancy Agreement beyond the seven (7) days of the above rescission date, You will be charged a $5,000 cancellation fee. In addition, if You exercise your right to rescind beyond the seven (7) day rescission period, You will be financially responsible for any upgrades or changes to the residence that were undertaken at Your request prior to Luthercare's receipt of Your completed Notice of Right to Rescind. These amounts will be deducted from the 10% deposit before the balance is returned to You. If the costs of upgrades/changes exceed the amount of the 10% deposit, You understand the excess amount is due and payable to Luthercare within 5 (five) business days of the rescission date.

The signature(s) below verify the fact that the Right to Rescind Notice (Exhibit C) has been presented and discussed.

Prospective Resident's Signature(s):
First Resident:
Signature_____

Print Name _____

Second Resident:
Signature_____

Print Name _____

By _____ _____
Luthercare Representative Date

To rescind Your Independent Living Occupancy Agreement, mail or deliver a signed and dated copy of this notice, or any other dated written notice, letter, or e-mail, stating Your desire to rescind to the following address:

Luthercare
Attention: Marketing Office
600 East Main Street
Lititz, PA 17543

not later than midnight of_____, 20_____(last day for rescission).

Pursuant to this notice, I hereby cancel my Independent Living Occupancy Agreement.

Date: _____

Prospective Resident's Signature(s):

Resident Signature_____ Resident Signature _____

Print Name_____ Print Name _____

Appendix I

Luthercare
Together in Community

600 East Main Street, Lititz, PA 17543

Board of Directors
(Effective June 18, 2025)

Name & Address	Telephone/Fax/Email	Congregation	Term	Expiration
Bradbury, David R. [redacted]	[redacted]	St. Paul Evangelical Lutheran Church, Lititz, PA	2nd	4/2026
DeLuca, Oneida D, FACHE Partner [redacted]	[redacted]	St. Phillip the Apostle, Millersville, PA	2nd	4/2026
Fisher, David R. Rev. [redacted]	[redacted]	Evangelical Lutheran Church in America	1st	4/2027
LaPine, Bernard J., Esq. Director, Regulatory and Legislative Affairs [redacted]	[redacted]	Palm Lutheran Church, Palmyra, PA	2nd	4/2026
Millen, Dr. Raymond A. LTC (Ret), US Army [redacted]	[redacted]	No Congregation	2nd	4/2026

Name & Address	Telephone/Email	Congregation	Term	Expiration
Miller, Alisa CEO/President [redacted]	[redacted]	Holy Trinity, Gainesville, VA	2nd	4/2028
Murray, Donald [redacted]	[redacted]	No Congregation	2nd	4/2027
Puskar, Alexander Esq. [redacted]	[redacted]	No Congregation	2nd	4/2028
Smarilli, James J. President, Smarilli Marketing Communications [redacted]	[redacted]	St. John Neumann Catholic Church, Lancaster, PA	1st	4/2027
Smith, Stuart S. **Chairperson** [redacted]	[redacted]	St. Matthew Lutheran Church, Lancaster, PA	2nd	4/2029
Matthew Torres, MD [redacted]	[redacted]	No Congregation	2nd	4/2028
Fritz, Steve [redacted]	[redacted]	No Congregation	1st	4/2028

Appendix II

Internal Revenue Service

District
Director

Department of the Treasury

P.O. Box 12821
Philadelphia, Pa. 19106

Person to Contact: J. Santijanna

Telephone Number: (215) 597-4168

Refer Reply to: EO:7207

Date: APR 0 8 1981

Lutheran Social Services -
East Region
600 Main Street
Lititz, Pa. 17543

Gentlemen:

Based on the information submitted, we have determined that you qualify as an organization described in section 501(c)(3) of the Code. Your status as an exempt organization under the group ruling issued to the Lutheran Church in America remains in effect.

We have also determined that you are not a private foundation because you are an organization described in section 509(a)(2) of the the Code. This determination was based on current and past financial support. If your sources of support in the future change significantly you should notify us so that we may determine if there is any change in your Private Foundation status. Also you should inform us of any change in purpose, character, method of operation, name or address.

You have the right to protest this determination if you believe it is incorrect. To protest, please refer to the enclosed Publication 892. If we do not hear from you within 30 days, this determination will become final.

If you have any questions, please contact the person whose name appears above.

Thank you for your cooperation.

Sincerely yours,

James T. Rideoutte

James T. Rideoutte
District Director

Enclosure:
Publication 892

Appendix III

Luther Acres
A Luthercare Community

Luther Acres Apartments - Independent Living

Rates effective January 1, 2026

Traditonal Entrance Fee Plan - 0% refund after 50 months (declines 2% per month).
Asset Preservation Fee Plan - 75% refund. Remaining 25% declines over 12 months.

Design Type	Layout	Square Feet	Traditional Entrance Fee	Asset Preservation Entrance Fee	Monthly Service Fee
Luther Townhome Apartments					
Norfolk	1 bedroom studio	448	$73,872	$140,630	$1,440
Fraser	1 bedroom suite	550	$90,758	$172,773	$1,632
Spruce	1 bedroom w/balcony	665	$109,050	$207,596	$1,943
Douglas A	1 bedroom/1.5 baths	775	$123,121	$234,382	$2,028
Douglas	2 bedroom deluxe/2 baths	775	$123,121	$234,382	$2,028
Muhlenberg Apartments					
Dogwood	1 bedroom	623	$118,899	$226,347	$1,674
Maple	1 bedroom	684	$166,038	$316,082	$1,926
Linden	1 bedroom	698	$166,038	$316,082	$1,926
Tulip	1 bedroom	729	$172,369	$328,137	$1,924
Oak	1 bedroom with den	747	$175,889	$334,833	$2,004
Tulip Penthouse	1 bedroom	810	$186,440	$354,921	$2,166
Walnut	1 bedroom w/den & 1.5 baths	877	$210,362	$401,037	$2,378
Elm	2 bedroom/2 baths	970	$241,015	$458,817	$2,504
Walnut Penthouse	1 bedroom w/den & 1.5 baths	979	$227,247	$432,602	$2,657
Elm-A	2 bedroom/2 baths	997	$243,228	$463,026	$2,566
Redwood	2 bedroom/2 baths	1,150	$288,188	$548,612	$2,942
Redwood-A	2 bedroom/2 baths	1,207	$291,137	$554,228	$3,083
Second Person - Traditional Entrance & Asset Preservation Fees					**Monthly Fee**
Second Person - Luther Townhome Apartments					$300
Second Person - Muhlenberg Apartments					$300

EQUAL HOUSING OPPORTUNITY

Luther Acres
A Luthercare Community

Luther Acres Cottages - Independent Living

Rates effective January 1, 2026

Traditional Entrance Fee Plan - 0% refund after 50 months (declines 2% per month).

Asset Preservation Fee Plan - 75% refund. Remaining 25% declines over 12 months.

Design Type	Layout	Square Feet	Traditional Entrance Fee	Asset Preservation Entrance Fee	Monthly Service Fee
Cottages					
Fig	1 bedroom w/ slab patio	740	$160,450	$305,444	$1,422
Cypress	2 bedroom w/ slab, covered or encl. pati	900	$189,230	$360,232	$1,499
Chestnut	1 bedroom w/ sunroom	936	$200,742	$382,147	$1,523
Laurel	2 bedroom w/ slab patio	960	$203,621	$387,626	$1,546
Susquehanna	1 bedroom w/ garage	1,055	$224,629	$427,621	$1,683
2 BR Cottage	2 bedroom w/ sunroom & 2-car garage	1,082	$246,790	$469,809	$1,842
Cedar	2 bedroom w/ sunroom	1,096	$235,278	$447,893	$1,683
Sycamore	2 bedroom/2 baths w/garage	1,112	$264,777	$504,050	$1,999
2 BR Cottage (Plan 10)	2 bedroom w/ sunroom & garage	1,156	$256,863	$480,765	$1,792
Bradford	2 bedroom/1.5 baths & sunroom	1,156	$256,863	$488,983	$1,792
Hickory	2 bedroom w/ sunroom	1,156	$232,858	$444,530	$1,792
Sutter	2 bedroom w/ garage	1,167	$238,537	$454,097	$1,792
Aspen	2 bedroom/2 baths w/garage	1,180	$298,506	$568,260	$2,059
Juniper	2 bedroom w/ sunroom	1,188	$257,232	$489,686	$1,842
Mueller	2 bedroom w/ garage	1,210	$292,610	$557,035	$1,895
Sturgis	2 bedroom w/ garage	1,215	$292,610	$557,035	$1,895
Sycamore w/sunroom	2 bedroom/2 baths w/garage	1,242	$302,930	$576,679	$2,059
Millport	2 bedroom w/ garage	1,263	$292,610	$557,035	$1,895
Newport	2 bedroom w/ garage	1,265	$292,610	$557,035	$1,895
Steigel	2 bedroom w/garage	1,300	$299,981	$571,066	$2,016
Swatara	2 bedroom w/garage	1,326	$299,981	$571,066	$2,016
Cloister	2 bedroom w/2-car garage	1,327	$307,352	$585,096	$2,089
Speedwell	2 bedroom w/garage	1,349	$307,352	$585,096	$2,089
Sequoia	2 bedroom/2 baths w/garage	1,375	$347,888	$662,266	$2,360
Willow	2 bedroom w/garage	1,384	$305,877	$582,290	$2,089
Buchanan	2 bedroom w/garage	1,386	$305,877	$582,290	$2,089
Hawthorne	2 bedroom/2 baths w/garage	1,403	$311,774	$593,517	$2,225
Newport A	2 bedroom w/sunroom & garage	1,405	$321,962	$613,159	$2,104
Poplar	2 bedroom/2 baths w/garage	1,430	$353,049	$672,090	$2,360
Birch	2 bedroom/2 baths w/garage	1,504	$372,212	$708,570	$2,506
Sequoia w/sunroom	2 bedroom/2 baths w/garage	1,525	$373,687	$711,377	$2,506
Aspen w/ Treehouse	3 bedroom/3 baths w/garage	1,592	$382,531	$728,213	$2,633
Second Person - Traditional Entrance & Asset Preservation Fees					**Monthly Fee**
Second Person - Cottages					$300

EQUAL HOUSING OPPORTUNITY

Luther Acres
A Luthercare Community

Luther Acres on Pin Oak Drive

Rates effective January 1, 2026

Traditional Entrance Fee Plan - 0% refund after 50 months (declines 2% per month).
Asset Preservation Fee Plan - 75% refund. Remaining 25% declines over 12 months.

Design Type	Layout	Square Feet	Traditional Entrance Fee	Asset Preservation Entrance Fee	Monthly Service Fee
Addison - end	One-story, 2-bedroom/2 bath, 2-car garage	1515	$ 508,200	$ 756,785	$ 2,395 *
Clairmont - end	One-story, 2-bedroom/2 bath, 2-car garage	1480	$ 488,250	$ 754,246	$ 2,395 *
Clairmont - interior	One-story, 2-bedroom/2 bath, 2-car garage	1480	$ 473,550	$ 731,389	$ 2,395 *
* Additional $19,800 Entrance Fee for a sunroom.					

Second Person - Traditional Entrance & Asset Preservation Fees	Monthly Fee
Second Person	$300

Luther Acres at Lititz Reserve

Rates effective January 1, 2026

Traditional Entrance Fee Plan - 0% refund after 50 months (declines 2% per month).
Asset Preservation Fee Plan - 75% refund. Remaining 25% declines over 12 months.

Design Type	Layout	Square Feet	Traditional Entrance Fee	Asset Preservation Entrance Fee	Monthly Service Fee
Addison - end	One-story, 2-bedroom/2 bath, 2-car garage, w/sunroom	1640	$ 525,000	$ 770,000	$ 2,450
Addison - end	One-story, 2-bedroom/2 bath, 2-car garage, w/sunroom & basement	1655	$ 560,000	$ 805,000	$ 2,450
Clairmont - end	One-story, 2-bedroom/2 bath, 2-car garage, w/sunroom & basement	1619	$ 560,000	$ 805,000	$ 2,450
Clairmont - interior	One-story, 2-bedroom/2 bath, 2-car garage, w/sunroom	1608	$ 525,000	$ 770,000	$ 2,450
Bedford - interior	Two-story, 3-bedroom/2.5 bath, 2-car garage, w/sunroom	1890	$ 545,000	$ 790,000	$ 2,750
Bedford - interior	Two-story, 3-bedroom/2.5 bath, 2-car garage, w/sunroom & basement	1746	$ 580,000	$ 825,000	$ 2,750
Bedford II - interior	Two-story, 3-bedroom/2.5 bath, 2-car garage, w/sunroom	1890	$ 545,000	$ 790,000	$ 2,750
Bedford II - interior	Two-story, 3-bedroom/2.5 bath, 2-car garage, w/sunroom & basement	1746	$ 580,000	$ 825,000	$ 2,750
Mifflin - interior	Two-story, 2-bedroom/2.5 bath, 2-car garage	1502	$ 420,000	$ 630,000	$ 2,000
Mifflin - end	Two-story, 2-bedroom/2.5 bath, 2-car garage	1523	$ 420,000	$ 630,000	$ 2,000

Second Person - Traditional Entrance & Asset Preservation Fees	Monthly Fee
Second Person	$300

EQUAL HOUSING OPPORTUNITY

St. John's Herr Estate
A Luthercare Community

St. John's Herr Estate Apartments and Cottages - Independent Living

Rates effective January 1, 2026

Traditional Entrance Fee Plan - 0% refund after 50 months (declines 2% per month).
Asset Preservation Fee Plan - 75% refund. Remaining 25% declines over 12 months.

Design Type	Layout	Square Feet	Traditional Entrance Fee	Asset Preservation Entrance Fee	Monthly Service Fee
Apartments					
Lancaster	1 bedroom with balcony/patio	495	$62,617	$119,200	$1,730
Columbia	1 bedroom	504	$65,429	$124,560	$1,730
Marietta	1 bedroom	558	$75,985	$144,647	$1,816
Conestoga	1 bedroom	710	$91,321	$173,846	$2,119
Donegal	1 bedroom with den	710	$91,321	$173,846	$2,119
Hershey	2 bedroom	710	$91,321	$173,846	$2,119
Manheim	1 bedroom w/ expanded, open kitchen	710	$94,979	$180,809	$2,237
Cottages					
Strasburg	2 bedroom/1 bath	918	$172,300	$328,003	$1,326
Heidelburg	2 bedroom/1 bath	918	$172,300	$328,003	$1,326
Susquehannock	2 bedroom/1.5 baths	918	$191,714	$364,963	$1,326
Augsburg	2 bedroom/1 bath	918	$172,300	$328,003	$1,326
Accomac	2 bedroom/1 bath w/garage	918	$191,714	$364,962	$1,350
Brogue	2 bedroom/1 bath w/garage	918	$191,714	$364,962	$1,350
Wittenberg	2 bedroom/2 baths w/garage	1,312	$266,782	$507,866	$1,755
Coburg	2 bedroom/2 baths w/ sunroom and garage	1,432	$291,049	$554,064	$1,916
Wittenberg w/ SR	2 bedroom/2 baths w/ garage	1,462	$294,286	$560,223	$1,958

Monthly Service Fee with No Entrance Fee Plan Apartments (Community Fee $25,000)

Design Type	Layout	Square Feet			Service Fee
Lancaster	1 bedroom with balcony/patio	495	n/a	n/a	$2,445
Columbia	1 bedroom	504	n/a	n/a	$2,445

Second Person - Traditional Entrance & Asset Preservation Fees		Monthly Fee
Second Person - Apartments and Cottages		$300

EQUAL HOUSING OPPORTUNITY

Luther Acres
A Luthercare Community

Luther Acres Personal Care

Traditional Personal Care Rates *Rates effective January 1, 2026*

Level I - Basic services

Room and board
Basic Plus cable television service
Three nutritious meals daily, in the dining room, including special dietary needs and snacks
Recreational, cultural, religious and social activities
Weekly housekeeping services/daily trash removal
Personal laundry service, exclusive of dry cleaning
Chaplaincy services
CPR and First-Aid Certified Staff on duty 24 hours a day
Ambulance membership
Daily reminders of meals, activities and special events
Medication monitoring/management
Health monitoring, support plans and continuing assessments
Physician-ordered medical treatments (i.e. eye drops, dressing changes, ointment applications)
Set up with bathing as needed
Reminders with dressing, grooming and personal hygiene as needed
Coordination of ancillary service appointments
Coordination of recreational and medical transportation services
Emergency Call Pendant for each resident

Daily Rates	
$271	Azalea
$297	Camelia
$283	Forsythia
$338	Magnolia
$191	Magnolia / 2nd Resident

Respite Daily Rates	
$325	Azalea
$347	Camelia
$329	Forsythia
$387	Magnolia
$237	Magnolia / 2nd Resident

Level II - Basic services

All services in Level I
Assistance with spa services/showers
Assistance with meals in the dining room
Assistance with activities as needed
Diabetic management (Glucose checks/Insulin)
Routine nighttime care & bathroom assistance
Daily assistance with dressing, grooming and personal hygiene
Assistance with episodic incontinence
Oxygen monitoring/Nebulizer treatments

Daily Rates	
$296	Azalea
$317	Camelia
$301	Forsythia
$358	Magnolia
$209	Magnolia /2nd Resident

EQUAL HOUSING OPPORTUNITY

Luther Acres
A Luthercare Community

Luther Acres Memory Support - Gardenia Court

Memory Support Personal Care Rates *Rates effective January 1, 2026*

Room and board
Basic Plus cable television service
Three nutritious meals daily, in the dining room, including special dietary needs and snacks
Weekly housekeeping services/daily trash removal
Personal laundry service, exclusive of dry cleaning
Chaplaincy services
Memory care specific to recreational, cultural, religious and social activities
Ambulance membership
CPR and First-Aid Certified Staff on duty 24 hours
Diabetic Management (glucose checks/Insulin)
Oxygen Monitoring/Nebulizer treatments; transportation services
Assistance with spa services
Coordination of ancillary service appointments and medical
Health monitoring, support plans and continuing assessments
Physician-ordered medical treatments (i.e. eye drops, dressing changes, ointment applications)
Minimal/limited/extensive assistance with bathing, dressing, grooming and personal hygiene; assistance with incontinence care
Daily reminders of meals, activities and special events
Medication monitoring/management
Emergency Call Pendant for each resident

Daily Rates

$311	Holly
$328	Azalea
$351	Camelia
$338	Forsythia
$394	Magnolia
$209	Magnolia/2nd resident

Respite Rates

$340	Holly
$358	Azalea
$381	Camelia
$368	Forsythia
$423	Magnolia
$252	Magnolia/2nd resident

EQUAL HOUSING OPPORTUNITY

St. John's Herr Estate
A Luthercare Community

St. John's Herr Estate Personal Care

Traditional Personal Care Rates

Rates effective January 1, 2026

Level I - Basic services

Room and board
Basic Plus cable television service
Three nutritious meals daily, in the dining room, including special dietary needs and snacks
Recreational, cultural, religious and social activities
Weekly housekeeping services/daily trash removal
Personal laundry service, exclusive of dry cleaning
Chaplaincy services
CPR and First-Aid Certified Staff on duty 24 hours a day
Ambulance membership
Daily reminders of meals, activities and special events
Medication monitoring/management
Health monitoring, support plans and continuing assessments
Physician-ordered medical treatments (i.e. eye drops, dressing changes, ointment applications)
Set up with bathing as needed
Reminders with dressing, grooming and personal hygiene as needed
Coordination of ancillary service appointments
Coordination of recreational and medical transportation services
Emergency Call Pendant for each resident

Daily Rates

$248 Private
$307 Susquehanna
$164 Susquehanna - 2nd Person

Respite Rates

$325 Level 1
$172 Level 1 - 2nd Person
$337 Level 2
$196 Level 2 - 2nd Person

Level II - Basic services

All services in Level I
Assistance with spa services/showers
Assistance with meals in the dining room
Assistance with activities as needed
Diabetic management (Glucose checks/Insulin)
Routine nighttime care & bathroom assistance
Daily assistance with dressing, grooming and personal hygiene
Assistance with episodic incontinence
Oxygen monitoring/Nebulizer treatments

Daily Rates

$267 Private
$326 Susquehanna
$190 Susquehanna - 2nd Person

EQUAL HOUSING OPPORTUNITY

Luther Acres
A Luthercare Community

Luther Acres Healthcare Center
Skilled Nursing & Rehabilitation Centers Rates

Effective January 1, 2026

Accommodation	Per Diem
Skilled nursing - private	$593
Skilled nursing - semi private deluxe	$597
Skilled nursing - shared room	$533
Memory support - private	$602
Holding bed * Level of care when a resident left	*

Services Included in the Per Diem Rate

Skilled nursing care Room and board
Three nutritious meals, including special dietary needs and snacks
Housekeeping services
Personal laundry, exclusive of dry cleaning
Cultural, educational, religious and social activities
Chaplaincy services
Social services/case management Oxygen while on Medicare Part A
Pharmacy charges while on Medicare Part A

Current Medicare Guidance Summary information is available from the Business Office or Social Services.

EQUAL HOUSING OPPORTUNITY

Luthercare℠
Together in Community

Ancillary Rate Schedule

Effective January 1, 2026

Beauty/Barber Shop Services (some services may not be offered at all locations)

Shampoo	$ 12.00	
Style (or Blow-dry/Curling Iron) Only	$ 23.00	*
Shampoo & Blow Dry	$ 26.00	*
Comb-Out/Touch-up	$ 19.00	
Shampoo & Style Package	$ 30.00	
Shampoo, Style & Cut Package	$ 48.00	
Shampoo, Cut & Blow-dry	$ 41.00	
Haircut	$ 27.00	
Haircut & Shampoo Package	$ 34.00	
Clipper Cut	$ 23.00	*
Clipper Cut & Shampoo Package	$ 30.00	
Single Process Color	$ 53.00	*
Single Process Color & Style	$ 70.00	*
Temporary Color Rinse	$ 11.00	
Highlights - Price Level 1	$ 65.00	
Perm Only	$ 55.00	
Perm & Style	$ 72.00	
Manicure	$ 27.00	
Pedicure	$ 42.00	*
Spa Manicure (Extra Massage & Sugar Scrub)	$ 40.00	*
Spa Pedicure (Extra Massage & Sugar Scrub)	$ 50.00	*
Polish Change/Nail Shaping	$ 20.00	
Nail Art (1 Design)	$ 10.00	*
Acrylic Nails Full Set	$ 45.00	
Acrylic Nails Fill In	$ 30.00	
Gel Polish Change	$ 22.00	*
Facial Grooming	$ 13.00	
Hair Removal Service (per service for Chin or Lip)	$ 13.00	*
Hair Removal Service (per service for Brow)	$ 14.00	

* *Services subject to 6% sales tax*

Luthercare℠
Together in Community

Ancillary Rate Schedule (continued)

Effective January 1, 2026

Transportation (8:00 a.m. - 4:00 p.m.; Maximum Transport 40 miles round trip)			
Off campus - Zone 1 (0 - 5 miles)	$	13.00	**
Off campus - Zone 2 (6 - 15 miles)	$	21.00	**
Off campus - Zone 3 (16 - 25 miles)	$	30.00	**
Off campus - Zone 4 (26 - 40 miles)	$	1.40	**
** Additional charge for driver waiting time (30 minutes)			
** Staff assistance care (30 minutes)			
Longer trips will be priced individually as vehicles are available.			
Transportation for Resident Activities			
Per Trip	$	3.00	***
*** All prices are per person and fees apply unless indicated.			
Special pricing for some trips may apply and communicated in advance.			
Meal Plan (Independent Living only)			
Lunch & Supper		á la carte	*
Monthly meal plan per apartment (cottage residents not included)		Various	*
Cable Television/Internet (billed through monthly statement)			
Senior TV Cable TV if available - Luther Acres Independent Living	$	55.50	month
Senior TV Internet if available - Luther Acres Independent Living	$	37.00	month
Housekeeping/Maintenance Services			
Personal maintenance assistance - minimum charge 30 minutes	$	25.00	
(Charge is calculated by number of staff responding)			
Carpet cleaning - minimum charge 1 hour	$	50.00	
Maid service - minimum charge 1 hour (with 30 min increments thereafter)	$	40.00	
Storage Area (St. John's Herr Estate Independent Living only)			
St. John's Herr Estate	$	25.00	month
	$	270.00	year
Staff Assistance			
Emergency Medical Staff Assistance - Apartments and Cottage residents	$	30.00	30 min.
responding.			
Routine supplies included.			
Special Staff Assistance (non-emergency services)	$	10.00	15 min.

Appendix IV

Greenstone Living and Controlled Organizations

Consolidated Financial Statements
and Supplementary Information

December 31, 2025 and 2024

Greenstone Living and Controlled Organizations

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December 31, 2025 and 2024

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Independent Auditors' Report

To the Board of Directors of
Greenstone Living and Controlled Organizations

Opinion

We have audited the consolidated financial statements of Greenstone Living and Controlled Organizations (the Organization), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, 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 financial position of the Organization as of December 31, 2025 and 2024, 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 consolidated financial statements are 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 on pages 25 through 28 is presented for purposes of additional analysis of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

Philadelphia, Pennsylvania
April 29, 2026

Greenstone Living and Controlled Organizations

Consolidated Balance Sheets
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 237,950	$ 5,232,880
Restricted cash and cash equivalents	1,349,808	1,065,323
Assets whose use is limited	6,448,270	1,691,758
Accounts receivable, net	1,305,233	2,707,402
Other current assets	1,316,979	1,304,998
Total current assets	10,658,240	12,002,361
Restricted Investments	1,837,800	1,837,800
Statutory Minimum Liquid Reserve	2,979,000	2,632,000
Assets Whose Use is Limited	26,428,377	24,718,111
Property and Equipment, Net	61,118,527	47,290,757
Fair Value of Interest Rate Swap Agreement	-	654,339
Other Assets	402,805	782,137
Beneficial Interest in Perpetual Trusts	2,596,256	2,514,900
Total assets	$ 106,021,005	$ 92,432,405

	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	$ 1,033,743	$ 1,379,204
Accounts payable, trade	2,944,310	4,822,544
Accounts payable, construction	172,170	248,036
Accrued expenses	956,727	1,531,585
Current portion of deferred swap termination fees	-	172,329
Resident deposits	955,301	682,872
Unearned income	83,233	220,082
Total current liabilities	6,145,484	9,056,652
Long-Term Debt, Net	42,261,143	28,940,695
Line of Credit	-	1,685,000
Fair Value of Interest Rate Swap Agreement	200,062	-
Deferred Swap Termination Fees	-	115,950
Refundable Entrance Fees	15,078,194	15,228,655
Deferred Revenue From Entrance Fees	33,696,510	31,058,910
Total liabilities	97,381,393	86,085,862
Net Assets		
Without donor restrictions	3,754,933	1,555,276
With donor restrictions	4,884,679	4,791,267
Total net assets	8,639,612	6,346,543
Total liabilities and net assets	$ 106,021,005	$ 92,432,405

See notes to consolidated financial statements

Greenstone Living and Controlled Organizations

Consolidated Statements of Operations
Years Ended December 31, 2025 and 2024

	2025	2024
Revenues, Gains and Other Support		
Net resident service revenues	$ 38,887,060	$ 51,974,572
Child care programs	1,351,946	1,359,083
Other income	118,261	143,140
Net assets released from restriction	500,835	551,179
Total revenues, gains and other support	40,858,102	54,027,974
Expenses		
Salaries and wages	13,044,856	18,989,826
Professional fees and purchased services	11,327,057	12,234,725
Depreciation	7,107,824	7,246,370
Employee benefits and payroll taxes	4,246,225	5,414,289
Occupancy	3,629,502	3,784,139
Resident and child care services	1,749,219	2,509,575
Agency	1,641,015	3,887,480
Interest	1,754,330	1,581,620
Operational activities	610,208	498,260
Repairs and maintenance	1,050,289	878,267
Advertising	360,884	385,500
Other	30,922	706,862
Total expenses	46,552,331	58,116,913
Operating loss	(5,694,229)	(4,088,939)
Other Income (Expense)		
Change in fair value of interest rate swap agreements	(247,540)	(294,974)
Contributions	362,950	1,061,113
Investment income	1,654,055	1,311,371
Net realized gain on sales of investments	370,783	1,120,593
Trust income	135,766	71,621
Change in net unrealized gains and losses on investments	2,815,265	1,416,716
Loss on disposal of property and equipment	(156,188)	(198,372)
Employee retention credit	3,503,454	-
Loss on refinancing	(544,659)	-
Gain on sale of Spang Crest	-	3,981,240
Revenues in excess of expenses and change in net assets without donor restrictions	$ 2,199,657	$ 4,380,369

See notes to consolidated financial statements

Greenstone Living and Controlled Organizations

Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2025 and 2024

	2025	2024
Change in Net Assets Without Donor Restrictions		
Revenues in excess of expenses and change in net assets without donor restrictions	$ 2,199,657	$ 4,380,369
Net Assets With Donor Restrictions		
Contributions	512,891	615,889
Change in value, beneficial interest in perpetual trusts	81,356	252,577
Net assets released from restriction for operations	(500,835)	(551,179)
Change in net assets with donor restrictions	93,412	317,287
Change in net assets	2,293,069	4,697,656
Net Assets, Beginning	6,346,543	1,648,887
Net Assets, Ending	$ 8,639,612	$ 6,346,543

See notes to consolidated financial statements

Greenstone Living and Controlled Organizations

Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 2,293,069	$ 4,697,656
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,107,824	7,246,370
Amortization of debt issuance costs	65,991	30,310
Amortization of bond premium	(21,777)	-
Loss on refinancing	544,659	-
Loss on disposal of property and equipment	156,188	198,372
Gain on sale of Spang Crest	-	(3,981,240)
Amortization of deferred swap termination fees	(15,118)	(192,042)
Proceeds from nonrefundable entrance fees	7,434,938	6,523,929
Amortization of entrance fees	(4,395,589)	(4,098,790)
Net realized gain on sales of investments	(370,783)	(1,120,593)
Change in net unrealized gains and losses on investments	(2,815,265)	(1,416,716)
Change in value of beneficial interest in perpetual trusts	(81,356)	(252,577)
Change in fair value of interest rate swap agreements	247,540	294,974
Changes in assets and liabilities:		
Accounts receivable	1,402,169	(162,095)
Other current assets	(11,981)	109,871
Other assets	379,332	(450,544)
Accounts payable, trade	(1,878,234)	1,416,522
Accrued expenses	(574,858)	(827,811)
Resident deposits	272,429	262,033
Unearned income	(136,849)	(5,803)
Net cash provided by operating activities	9,602,329	8,271,826
Cash Flows From Investing Activities		
Acquisition of property and equipment	(20,981,343)	(5,408,577)
Net proceeds from sale of Spang Crest	-	4,252,154
Net purchases of investments and assets whose use is limited	(3,418,270)	(365,223)
Net cash used in investing activities	(24,399,613)	(1,521,646)
Cash Flows From Financing Activities		
Refunds of entrance fees	(1,698,973)	(1,672,350)
Proceeds from long-term debt	12,884,767	-
Proceeds from refundable entrance fees	1,146,763	1,560,201
Principal payments on long-term debt	(1,441,420)	(3,414,917)
Proceeds from interest rate swap termination	333,700	-
Payments for bond issuance costs	(928,538)	-
Net cash provided by (used in) financing activities	10,296,299	(3,527,066)
Change in cash, cash equivalents and restricted cash and cash equivalents	(4,500,985)	3,223,114
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	6,298,203	3,075,089
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 1,797,218	$ 6,298,203

See notes to consolidated financial statements

Greenstone Living and Controlled Organizations

Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Supplementary Cash Flows Information		
Interest paid, net of capitalized interest	$ 1,608,948	$ 1,768,923
Supplementary Schedule of Noncash Investing and Financing Activities		
Obligations incurred for the acquisition of property and equipment	$ 172,170	$ 248,036
Finance lease obligations incurred	$ 186,305	$ 134,871
Proceeds from long-term debt used to repay long-term debt	$ 30,107,164	$ -
Proceeds from long-term debt used to repay line of credit	$ 1,685,000	$ -
Proceeds from sale of Spang Crest used to repay long-term debt	$ -	$ 4,000,000
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents		
Cash and cash equivalents	$ 237,950	$ 5,232,880
Restricted cash in assets whose use is limited	209,460	-
Restricted cash and cash equivalents	1,349,808	1,065,323
Total cash, cash equivalents and restricted cash and cash equivalents	$ 1,797,218	$ 6,298,203

See notes to consolidated financial statements

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Greenstone Living is a not-for-profit corporation organized exclusively for the support and benefit of Luthercare and Greenstone Mosaic, LLC to manage, support and benefit the charitable, religious, educational and scientific activities of faith-based senior living centers and to oversee the provision of comprehensive care and other support services to the elderly living in Pennsylvania and the surrounding region.

The consolidated financial statements include the accounts of Greenstone Living, Luthercare and Greenstone Mosaic, LLC (collectively, the Organization). All significant intercorporate transactions and balances have been eliminated. Greenstone Living is the controlling entity and sole member of the following entities:

- Luthercare is a not-for-profit corporation that operates continuing care retirement communities providing housing, healthcare and other related services to elderly individuals. As of December 31, 2025, Luthercare operated 86 skilled nursing (SN) beds (licensed for 106), 110 licensed personal care (PC) units and 495 independent living (IL) units in Lancaster County, Pennsylvania. Luthercare also completed the construction of 24 additional IL units from January through April 2026 and now operates a total of 519 IL units. Luthercare also operates childcare facilities in Lancaster and Lebanon Counties. Luthercare is affiliated with the Lower Susquehanna Synod of the Evangelical Lutheran Church in America but offers its services to all individuals.

  Through December 26, 2024, Luthercare also operated a facility with 105 SN beds and 18 PC beds, known as Spang Crest, in Lebanon County, Pennsylvania. On December 27, 2024, Spang Crest was sold to an unrelated third party.

- Greenstone Mosaic, LLC (Mosaic) provides business consulting services related to leadership, organizational culture, strategic planning, organizational development and community initiatives.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

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

Receivables

Accounts receivable are reported net of an allowance for credit losses, which represents Luthercare's estimate of expected losses as of the balance sheet date. The adequacy of Luthercare's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analysis of receivables portfolios by payor source, aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends. The allowance for credit losses was approximately $122,000 and $511,000 at December 31, 2025 and 2024 respectively.

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 return (including realized and unrealized gains and losses on investments, interest, dividends and investment advisory fees) is included in revenues in excess of expenses in the consolidated statements of operations unless the investment return is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured 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. 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 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 includes assets set aside by the Board of Directors for various purposes, over which the Board retains control and may at its discretion, subsequently uses for other purposes and 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). Amounts available to meet current obligations have been classified as current assets in the consolidated balance sheets.

Beneficial Interest in Perpetual Trusts

Luthercare has been named a beneficiary of several trusts which are administered and controlled by independent trustees. The trusts are recorded as contribution revenue when Luthercare is notified of the trust's existence. Luthercare receives the earnings from these trusts whose principal is to be held in perpetuity. The earnings, excluding changes in fair value, from the trusts are reported as trust income that increases net assets without donor restrictions. Assets held in trust by others are valued at fair value based on the estimated fair value of the underlying investments.

Property and Equipment

Property and equipment are recorded at cost for all items purchased and fair market value at date of receipt for contributed property. The Organization reviews all disbursements greater than $500 for capitalization as property and equipment. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expenses as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the consolidated statements of operations.

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

Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as part of the cost of acquiring those assets. Interest capitalized was approximately $117,000 in 2025.

Impairment of Property and Equipment

Property and equipment are evaluated for impairment whenever events or changes in circumstances indicate that 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 the expected cash flows are less than the carrying value, an impairment loss is recognized equal to the amount by which the carrying value exceeds the fair value of the assets. Based on management's analysis, no property and equipment were considered impaired at December 31, 2025 and 2024.

Debt Issuance Costs

Costs incurred in connection with the issuance of long-term debt are reported in the consolidated balance sheets as a reduction to long-term debt and are amortized over the terms of the debt using the effective interest method.

Entrance Fees

Under IL Occupancy Agreements (the Agreements), entrance fees are received from residents in advance. Luthercare currently offers two Agreements to prospective residents, a refundable plan and a nonrefundable plan. Under the nonrefundable Agreements, residents are generally entitled to a full refund less 2% of the entrance fee per each month of residency; after 50 months of residency, no refund is due or payable. Under the refundable Agreements, 75% of the entrance fee is guaranteed to be refunded to the resident; the remaining 25% is refundable on a decreasing basis for the first 12 months of residency. Refunds to residents are generally paid after a new resident occupies the IL unit vacated by the former resident.

The guaranteed refund component of entrance fees is not amortized to income and is classified as refundable entrance fees in the consolidated balance sheets. The balance of entrance fees received is classified as deferred revenue from entrance fees in the consolidated balance sheets. The deferred revenue is amortized to income over the annually adjusted actuarially determined life expectancy of the residents using the straight-line method, which approximates the period of time that goods and services under the Agreements are expected to be transferred to residents and Luthercare's performance obligation to the residents is satisfied.

The majority of services provided to Luthercare's IL residents are paid for on a fee-for-service basis and are not included under the Agreements.

Contractual refund obligations under the Agreements are approximately $27,086,000 and $25,622,000 at December 31, 2025 and 2024, respectively.

Derivatives

Luthercare entered into interest rate swap agreements, which convert variable rate debt to a fixed rate. Luthercare entered into such derivatives only for the purpose of hedging such risks, not for speculation. The swap agreements are recorded on the consolidated balance sheets at fair value. Changes in fair value are reflected through other income (expense) in the consolidated statements of operations. Luthercare chose not to elect hedge accounting for its derivative instruments. Therefore, variations in fair value are marked-to-market and reported within revenues in excess of expenses.

Net Assets

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

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

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that may be met either by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those 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 Luthercare 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.

Payment terms and conditions for Luthercare'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 due from private pay residents are generally billed monthly in advance. Net resident service revenues for ancillary services due from private pay residents are generally billed monthly in arrears. Net resident service revenues due from Medicare, Medical Assistance and other third-party payor programs are billed monthly in arrears.

Net resident service revenues are primarily comprised of SN, PC, IL, and other resident service revenue streams, which are primarily derived from providing housing, SN, PC, and other resident services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. Luthercare has determined that the services included in the stated daily or monthly fee for each level of care represents a series of distinct services that have the same timing and pattern of transfer. Therefore, Luthercare 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, SN, PC, IL, and other resident service revenues are recognized on a daily or month-to-month basis as services are rendered.

Luthercare 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. Luthercare estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends, and retroactive adjustments are recognized in future periods as final settlements are determined. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to net resident service revenues in the period of change.

Explicit Price Concessions and Benevolent Care

Explicit price concessions related to Luthercare's participation in the Medical Assistance program for SN services, which represent the difference between Luthercare's private pay rates and the payments received for services rendered to Medical Assistance program beneficiaries, were approximately $3,217,000 in 2025 and $6,161,000 in 2024.

Luthercare provides care to residents who meet certain criteria without charge or at amounts less than its established rates. Because Luthercare does not pursue collection of amounts determined to qualify as benevolent care, they are not reported as revenue. Luthercare maintains records to identify and monitor the level of benevolent care it provides. Charges foregone, based on established rates, for services rendered and supplies furnished were approximately $2,725,000 in 2025 and $2,457,000 in 2024. These amounts are not materially different than the difference between the cost of providing services to residents that qualified for benevolent care and the amounts these residents were able to pay for services rendered.

Contract Assets and Liabilities

Contract assets represent Luthercare's right to consideration in exchange for goods or services that Luthercare has transferred to a resident when that right is conditioned on something other than the passage of time (for example, Luthercare's future performance). Luthercare has no contract assets. Contract liabilities represent Luthercare's obligation to transfer goods or services to a resident for which Luthercare has received consideration (or the amount is due) from the resident. Luthercare's beginning and ending contract liabilities are separately presented on the consolidated balance sheets as of December 31, 2025 and 2024. Contract liabilities as of December 31, 2023 were as follows:

Unearned income	$ 225,887
Deferred revenue from entrance fees	29,186,873

Income Taxes

Greenstone Living and Luthercare are not-for-profit entities as described in Section 501(c)(3) of the Internal Revenue Code (IRC). Greenstone Living is exempt from federal income taxes on its exempt income pursuant to Section 509(a)(3) of the IRC. Luthercare is covered by the Evangelical Lutheran Church in America's group exemption letter and is exempt from federal income taxes on its exempt income pursuant to Section 509(a)(1) of the IRC. Mosaic is a limited liability company that has elected to be taxed as a corporation.

Performance Indicator

The consolidated statements of operations include revenues in excess of expenses as the performance indicator. Operating loss includes only those operating revenues and expenses that are an integral part of the Organization's program activities and net assets released from donor restrictions to support operating expenditures. Revenues in excess of expenses include all operating activities, as well as investment return, the change in fair value of the interest rate swap agreements, and other nonoperating revenues and expenses. Changes in net assets without donor restrictions which are excluded from 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).

Donated Services

A significant number of volunteers annually donate their services to the Organization. Because the services provided do not require special skills, the value of these donated services is not reflected in the consolidated financial statements.

Subsequent Event

The Organization evaluated subsequent events for recognition or disclosure through April 29, 2026, the date the consolidated financial statements were issued.

2. Net Resident Service Revenues

Luthercare disaggregates revenue from contracts with residents by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Net resident service revenues consist of the following for the years ended December 31:

	2025				
	Skilled Nursing	Personal Care	Independent Living	Ancillary	Total
Private pay	$ 6,381,482	$ 7,865,794	$ 10,530,146	$ 966,840	$ 25,744,262
Medicare and other insurances	3,792,557	-	-	512,348	4,304,905
Medical Assistance	4,442,304	-	-	-	4,442,304
Amortization of nonrefundable entrance fees	-	-	4,395,589	-	4,395,589
Total	$ 14,616,343	$ 7,865,794	$ 14,925,735	$ 1,479,188	$ 38,887,060

	2024				
	Skilled Nursing	Personal Care	Independent Living	Ancillary	Total
Private pay	$ 11,440,700	$ 8,947,155	$ 10,115,319	$ 1,045,901	$ 31,549,075
Medicare and other insurances	6,941,547	-	-	649,977	7,591,524
Medical Assistance	8,735,183	-	-	-	8,735,183
Amortization of nonrefundable entrance fees	-	-	4,098,790	-	4,098,790
Total	$ 27,117,430	$ 8,947,155	$ 14,214,109	$ 1,695,878	$ 51,974,572

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

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

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

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

3. Fair Value Measurements, Restricted Investments, Statutory Minimum Liquid Reserve, Assets Whose Use is Limited and Other Financial Instruments

Fair Value Measurements

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

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

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

Level 3 - Significant unobservable inputs.

The following tables present financial instruments measured at fair value at December 31, by caption on the consolidated balance sheets:

	2025			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Reported at Fair Value				
Assets:				
Restricted investments, statutory minimum liquid reserve and assets whose use is limited:				
Mutual funds, equity	$23,953,888	$23,953,888	$ -	$ -
Mutual funds, fixed income	12,514,797	12,514,797	-	-
U.S. Treasury and agency obligations	998,043	-	998,043	-
Other	17,259	17,259	-	-
	37,483,987	$ 36,485,944	$ 998,043	$ -
Cash and cash equivalents	209,460			
Total restricted investments, statutory minimum liquid reserve and assets whose use is limited	$ 37,693,447			
Beneficial interest in perpetual trusts	$ 2,596,256	$ -	$ -	$ 2,596,256
Liabilities:				
Interest rate swap agreement	$ 200,062	$ -	$ 200,062	$ -

	2024			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Reported at Fair Value				
Assets:				
Restricted investments, statutory minimum liquid reserve and assets whose use is limited:				
Common stocks	$ 76,228	$ 76,228	$ -	$ -
Mutual funds, equity	20,592,951	20,592,951	-	-
Mutual funds, fixed income	8,576,239	8,576,239	-	-
U.S. Treasury and agency obligations	970,584	-	970,584	-
Other	575,643	575,643	-	-
	30,791,645	$ 29,821,061	$ 970,584	$ -
Cash and cash equivalents	88,024			
Total restricted investments, statutory minimum liquid reserve and assets whose use is limited	$ 30,879,669			
Beneficial interest in perpetual trusts	$ 2,514,900	$ -	$ -	$ 2,514,900
Interest rate swap agreement	$ 366,060	$ -	$ 366,060	$ -

Restricted investments, statutory minimum liquid reserve and assets whose use is limited are presented together in the tables above as there are various investment and cash accounts that are allocated between the restricted investments, statutory minimum liquid reserves and assets whose use is limited lines on the consolidated balance sheets.

Investments and assets whose use is limited are recorded on the consolidated balance sheets at December 31 as follows:

	2025	**2024**
Restricted investments, donor-restricted endowment fund	$ 1,837,800	$ 1,837,800
Statutory minimum liquid reserve	2,979,000	2,632,000
Assets whose use is limited	32,876,647	26,409,869
Total	$ 37,693,447	$ 30,879,669

Assets whose use is limited are comprised of the following at December 31:

	2025	2024
Board-designated:		
Operating reserves	$ 32,649,928	$ 25,834,235
Under trust indenture, held by trustee:		
Bond interest fund	128,627	-
Bond principal fund	80,833	-
Deferred compensation	17,259	575,634
Total assets whose use is limited	32,876,647	26,409,869
Less assets whose use is limited, current	(6,448,270)	(1,691,758)
Total assets whose use is limited, noncurrent	$ 26,428,377	$ 24,718,111

Valuation Methodologies

Investments and assets whose use is limited are valued at fair value based on quoted market prices in active markets for common stocks, mutual funds and other investments and are estimated using quoted prices for similar securities for U.S. Treasury and agency obligations.

The fair value of beneficial interest in perpetual trusts held by third parties is based upon Luthercare's percentage ownership of the trust assets, which approximates the value of estimated future cash flows to be received from the trusts. This is considered a Level 3 measurement because even though the measurement is based on the underlying fair value of the trust assets as reported by the trustee, Luthercare will never receive those assets or have the ability to direct the trustees to redeem them.

The fair value of the interest rate swap agreements takes into consideration the prevailing interest rate environment and the specific terms and conditions of the interest rate swaps and considers the credit risk of Luthercare. 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 Luthercare would pay or receive to terminate the agreements.

In compliance with Section 9 of 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, calculated as follows:

Budgeted operating expenses for 2026	$ 46,774,000	
Less budgeted depreciation and amortization expense	(7,838,000)	
Expenses subject to minimum liquid reserve requirement	38,936,000	
Percentage of residents subject to Agreements at December 31, 2025	76.50 %	
Subtotal	29,786,040	
Statutory requirement	10 %	
Statutory minimum liquid reserve requirement	$ 2,978,604	(a)
Debt service requirements for 2026:		
Principal payments due on long-term debt, excluding finance lease obligations	$ 970,000	
Budgeted interest payments on long-term debt	1,719,000	
Total debt service	2,689,000	
Percentage of residents subject to Agreements at December 31, 2025	76.50 %	
Statutory minimum liquid reserve requirement	$ 2,057,085	(b)
Greater of (a) or (b) above, rounded	$ 2,979,000	

4. Liquidity and Availability of Resources

The following table reflects the Organization's financial assets available for general expenditure within one year at December 31:

	2025	2024
Cash and cash equivalents	$ 237,950	$ 5,232,880
Accounts receivable, net	1,305,233	2,707,402
Board-designated operating reserve	32,649,928	25,834,235
Total	$ 34,193,111	$ 33,774,517

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.

As stated in Note 3, Luthercare designated a portion of its investments as a statutory minimum liquid reserve to comply with the requirements of Act 82 and thus they are not included in the schedule above. Although Luthercare does not intend to utilize the Act 82 reserves for general expenditures as part of its annual budget and approval process, amounts designated as Act 82 reserves could be made available as necessary. The Act 82 reserves are separately classified in the consolidated balance sheets and do not have third-party restrictions or withdrawal limitations.

5. Property and Equipment

Major classifications of property and equipment at December 31 are summarized below:

	2025	2024
Land	$ 2,046,937	$ 2,046,937
Land improvements	4,272,141	4,253,556
Buildings and building improvements	131,824,438	120,138,607
Furnishings and equipment	15,425,377	13,323,846
Construction-in-progress	6,443,968	806,121
	160,012,861	140,569,067
Less accumulated depreciation	(98,894,334)	(93,278,310)
Total property and equipment	$ 61,118,527	$ 47,290,757

Construction in progress as of December 31, 2025, primarily includes costs related to an IL expansion project known as the Lititz Reserve IL Community (the Project). The Project includes a total of 37 new IL units, 23 of which were completed and placed in service during 2025 and 14 of which were completed and placed in service in January through April 2026. Commitments related to the Project were approximately $6,600,000 as of December 31, 2025. The Project is being financed with the proceeds from the Series 2025 Authority Notes (Note 7).

6. Lines of Credit

Luthercare had a $5,000,000 revolving line of credit agreement with a bank. There was $1,685,000 outstanding on this line at December 31, 2024. The outstanding balance of the line of credit was refinanced on a long-term basis in February 2025 with the proceeds from the Series 2025 Bonds (Note 7).

In August 2025, Luthercare entered into a $5,000,000 revolving line of credit agreement with a bank. Borrowings on the line of credit bear interest at the One-Month Term Secured Overnight Financing Rate (SOFR) plus 1.15% (5.02% at December 31, 2025). There were no borrowings at December 31, 2025.

7. Long-Term Debt

Long-term debt is as follows as of December 31:

	2025	2024
Lancaster Municipal Authority Healthcare Facilities Revenue Bonds, Series A of 2025.	$ 29,790,000	$ -
Lancaster Municipal Authority Healthcare Facilities Revenue Bonds, Series B of 2025.	970,000	-
Lancaster Municipal Authority Series 2025C Authority Note.	12,562,634	-
Lancaster County Hospital Authority Revenue Note, Series of 2016, refinanced in 2025.	-	25,923,000
Lancaster Municipal Authority Revenue Note, Series of 2019, refinanced in 2025.	-	4,746,164
Finance lease obligations, due in monthly installments through December 2030.	267,332	200,450
	43,589,966	30,869,614
Current maturities	(1,033,743)	(1,379,204)
Unamortized bond premium	572,523	-
Unamortized debt issuance costs	(867,603)	(549,715)
Total long-term debt	$ 42,261,143	$ 28,940,695

In February 2025, the Lancaster Municipal Authority (the Authority) issued, on behalf of Luthercare, $31,520,000 of Healthcare Facilities Revenue Bonds (the Series 2025 Bonds). The Series 2025 Bonds were issued in two series: tax-exempt, Series A of 2025 Bonds totaling $29,790,000 and taxable, Series B of 2025 Bonds totaling $1,730,000. The proceeds from the Series 2025 Bonds were used to refinance the outstanding balances of the Series of 2016 Revenue Note and Series of 2019 Revenue Note, refinance the outstanding balance on a line of credit, and pay a portion of the costs of issuing the Series 2025 Bonds.

The Series A of 2025 Bonds consist of $5,475,000 of term bonds due in varying annual installments beginning December 2027 through December 2035; $9,245,000 of term bonds due in varying installments from December 2036 through December 2045; and $15,070,000 of term bonds due in varying installments from December 2046 through December 2055. Interest on the Series A of 2025 Bonds ranges from 4.0% to 5.0% and is payable semi-annually.

The outstanding balance of the Series B of 2025 Bonds is payable in December 2026, plus interest payable semi-annually at 5.75%.

In August 2025, the Authority issued, on behalf of Luthercare, $25,000,000 of Authority Notes (the Series 2025 Authority Notes). The Series 2025 Authority Notes were issued in two components: a $15,000,000 Series 2025C Authority Note and a $10,000,000 Series 2025D Authority Note. Proceeds from the Series 2025 Authority Notes are being advanced to Luthercare on a draw down basis to primarily finance the Project and other capital projects.

The Series 2025C Authority Note is payable in varying monthly installments from 2027 through 2057. The Series 2025D Authority Note is payable in 2028. Interest on the Series 2025 Authority Notes is due monthly at a variable rate equal to 79% of the sum of the One-Month Term SOFR plus 1.15% (3.97% at December 31, 2025).

The 2025 Bonds and Series 2025 Authority Notes are secured on a parity basis by mortgage liens on all properties and a security interest in gross revenues, as defined.

Long-term debt maturing in the next five years is as follows:

Years ending December 31:	
2026	$ 1,033,743
2027	685,080
2028	866,115
2029	884,023
2030	900,634
Thereafter	39,220,371
	$ 43,589,966

8. Interest Rate Swap Agreements

In September 2016, Luthercare terminated existing interest rate swap agreements and replaced them with a single swap agreement related to the Series of 2016 Revenue Note. The swap agreement was terminated in February 2025 in connection with the issuance of the Series 2025 Bonds. As a result of the termination, Luthercare received $333,700 from the counterparty. At December 31, 2024, Luthercare estimated that it would have been paid $366,060 to terminate the swap agreement. This amount is the net of the amounts classified as fair value of interest rate swap agreement (asset) of $654,339 and deferred swap termination fees (liability) of $288,279 in the consolidated balance sheet at December 31, 2024.

In August 2025, Luthercare entered into an interest rate swap agreement, with an effective date in February 2026 and a termination date in August 2035, related to the Series 2025C Authority Note. According to the terms of the swap agreement, if the variable rate under the swap agreement is less than the fixed rate of 3.99%, Luthercare must make a monthly payment to the counterparty of the swap agreement. Conversely, if the variable rate is more than the fixed rate, the counterparty to the swap agreement must make a monthly payment to Luthercare. The variable rate under the swap agreement is equal to 79% of the sum of the One-Month Term SOFR (3.06% at December 31, 2025). The monthly payments are calculated by multiplying the notional amount by the difference between the variable rate and the fixed rate. The payments to or from the counterparty are classified as interest expense in the consolidated statements of operations.

The fair value of the swap agreement is estimated to be the amount Luthercare would pay to terminate the swap agreement at December 31, 2025. Luthercare estimates that it would have paid $200,062 on December 31, 2025 to terminate the swap agreement.

Changes in the fair value of the swap agreements are included in revenues in excess of expenses since the agreement is not designated as a hedging instrument. The change in fair value of the swap agreements is classified as change in fair value of interest rate swap agreements in the consolidated statements of operations and was ($247,540) in 2025 and ($294,974) in 2024.

9. Net Assets With Donor Restrictions

Net asset with donor restrictions are as follows at December 31:

	2025	2024
Charitable remainder trusts	$ 56,116	$ 56,116
Purpose restricted for:		
Child care scholarships	136,001	107,616
Other	258,506	274,835
Restricted in perpetuity:		
Beneficial interest in perpetual trusts	2,596,256	2,514,900
Donor-restricted endowment fund	1,837,800	1,837,800
Total net assets with donor restrictions	$ 4,884,679	$ 4,791,267

10. Employee Benefit Plans

Luthercare sponsors a 403(b) retirement plan (the Plan) with a salary deferral option. Luthercare is required to contribute 4% of employees' wages for all employees 21 years of age and older and regularly scheduled to work 40 or more hours per pay period. Luthercare's policy is to fund the Plan concurrently with payroll. Total contributions under the Plan were approximately $301,000 in 2025 and $586,000 in 2024.

11. Contingencies

Legal Claims

The Organization is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Organization's financial position.

Senior Living Industry

The senior living services and healthcare industries are 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. The Organization is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter, if any, are not presently determinable.

Medical Malpractice Claims Coverage

Luthercare maintains claims based professional liability coverage through a commercial insurance carrier. Management believes no incidents have occurred or will be asserted that will exceed the insurance coverage or will have a material adverse effect on the consolidated financial statements.

Health Insurance Plan

Luthercare maintains a self-insured health insurance plan (the Plan) for all eligible employees. Under the terms of the Plan, Luthercare is responsible for the first $225,000 of covered medical expenses per covered plan member. Costs in excess of the first $225,000 are covered by a specific stop loss policy maintained by Luthercare. Luthercare maintains aggregate reinsurance to limit the total annual claim exposure of the Plan. Luthercare recognized expenses of approximately $2,513,000 in 2025 and $2,960,000 in 2024 associated with the Plan. Luthercare records a liability, including an estimate for incurred but not reported claims, when a loss is probable and the amount of the loss can be reasonably estimated. The total liability at December 31, 2025 and 2024 was approximately $213,000 and $274,000, respectively. These amounts are included in accrued expenses in the consolidated balance sheets.

12. Concentrations of Credit Risk

The Organization maintains cash accounts, which may at times exceed the amount insured by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses from maintaining cash accounts in excess of federally insured limits.

Luthercare grants credit to its residents and other third-party payors, primarily Medicare, Medical Assistance and various commercial insurance companies.

13. Functional Expenses

The Organization's primary program service relates to providing housing, health care and other related services to residents within its geographic locations. Expenses by functional classification consist of the following for the years ended December 31:

	2025			
	Program	Administrative	Fundraising	Total
Salaries and wages	$ 9,778,401	$ 3,057,479	$ 208,976	$ 13,044,856
Employee benefits and payroll taxes	3,299,638	867,850	78,737	4,246,225
Professional fees, purchased services, and agency	11,076,408	1,873,607	18,057	12,968,072
Supplies and other expenses	2,228,791	1,235,376	112,390	3,576,557
Nursing home assessment	224,965	-	-	224,965
Depreciation	7,107,824	-	-	7,107,824
Interest	1,754,330	-	-	1,754,330
Occupancy	3,629,502	-	-	3,629,502
Total expenses	$ 39,099,859	$ 7,034,312	$ 418,160	$ 46,552,331

	2024			
	Program	Administrative	Fundraising	Total
Salaries and wages	$ 15,565,827	$ 3,186,679	$ 237,320	$ 18,989,826
Employee benefits and payroll taxes	4,576,546	772,480	65,263	5,414,289
Professional fees, purchased services, and agency	14,151,709	1,970,496	-	16,122,205
Supplies and other expenses	3,295,397	1,106,948	94,310	4,496,655
Nursing home assessment	481,809	-	-	481,809
Depreciation	7,246,370	-	-	7,246,370
Interest	1,581,620	-	-	1,581,620
Occupancy	3,784,139	-	-	3,784,139
Total expenses	$ 50,683,417	$ 7,036,603	$ 396,893	$ 58,116,913

Certain expense categories above, including depreciation, interest and occupancy are attributable to more than one program service or support function. The Organization believes substantially all depreciation, interest and occupancy expenses are applicable to program services. As such, these expenses were reported in the program services columns above.

14. Employee Retention Credit

In response to COVID-19, the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) was signed into law on March 27, 2020. The Employee Retention Credit (ERC), which was included as part of CARES Act and amended by the Consolidated Appropriations Act (CAA), the American Rescue Plan Act (ARPA), and the Infrastructure Investment and Jobs Act (IIJA), incentivized employers severely impacted by the COVID-19 pandemic to retain their employees when they might otherwise find it difficult to do so. The fully refundable tax credit was allowed against the employer's share of employment taxes for qualified wages paid after March 12, 2020 and before October 1, 2021. Credits in excess of the tax amounts paid by an employer are treated as overpayments and are also refunded to the employer.

During 2023, Luthercare applied for the ERC by amending its previously filed Forms 941 for the 1st, 2nd, and 3rd quarters of 2021. During 2025, Luthercare received $4,379,317, including interest of $593,707, for the ERC claims filed for the 1st and 2nd quarters of 2021. Luthercare 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. Given the uncertainty related to the approval of the amended Forms 941 by the Internal Revenue Service, Luthercare did not recognize the ERC funds as revenue in 2024 since management did not believe the barriers to recognition were substantially met. Management believes the barriers to recognition were substantially met during 2025 for the ERC claims filed for the 1st and 2nd quarters of 2021. Accordingly, Luthercare recognized ERC revenue of $4,379,317, net of professional fees related to the ERC of $875,863, or $3,503,454, during 2025. This amount is included in other income (expense) in the consolidated statement of operations.

The statute of limitations for the 1st and 2nd quarters of 2021 expired during 2025. The statute of limitations for the 3rd quarter of 2021 is scheduled to expire during 2027.

Greenstone Living and Controlled Organizations

Consolidating Balance Sheet
December 31, 2025

	Luthercare	Greenstone Living	Greenstone Mosaic, LLC	Eliminations	Consolidated Total
Assets					
Current Assets					
Cash and cash equivalents	$ 237,950	$ -	$ -	$ -	$ 237,950
Restricted cash and cash equivalents	1,349,808	-	-	-	1,349,808
Assets whose use is limited	6,448,270	-	-	-	6,448,270
Accounts receivable, net	1,305,233	-	-	-	1,305,233
Due from related parties	5,600	-	-	(5,600)	-
Other current assets	1,316,738	-	241	-	1,316,979
Total current assets	10,663,599	-	241	(5,600)	10,658,240
Restricted Investments	1,837,800	-	-	-	1,837,800
Statutory Minimum Liquid Reserve	2,979,000	-	-	-	2,979,000
Assets Whose Use is Limited	25,566,198	862,179	-	-	26,428,377
Property and Equipment, Net	61,118,527	-	-	-	61,118,527
Other Assets	402,805	-	-	-	402,805
Beneficial Interest in Perpetual Trusts	2,596,256	-	-	-	2,596,256
Total assets	$ 105,164,185	$ 862,179	$ 241	$ (5,600)	$ 106,021,005

Greenstone Living and Controlled Organizations

Consolidating Balance Sheet
December 31, 2025

	Luthercare	Greenstone Living	Greenstone Mosaic, LLC	Eliminations	Consolidated Total
Liabilities and Net Assets (Deficit)					
Current Liabilities					
Current maturities of long-term debt	$ 1,033,743	$ -	$ -	$ -	$ 1,033,743
Accounts payable, trade	2,944,310	-	-	-	2,944,310
Accounts payable, construction	172,170	-	-	-	172,170
Accrued expenses	956,727	-	-	-	956,727
Due to related parties	-	4,350	1,250	(5,600)	-
Resident deposits	955,301				955,301
Unearned income	83,233	-	-	-	83,233
Total current liabilities	6,145,484	4,350	1,250	(5,600)	6,145,484
Long-Term Debt, Net	42,261,143	-	-	-	42,261,143
Fair Value of Interest Rate Swap Agreement	200,062	-	-	-	200,062
Refundable Entrance Fees	15,078,194	-	-	-	15,078,194
Deferred Revenue From Entrance Fees	33,696,510	-	-	-	33,696,510
Total liabilities	97,381,393	4,350	1,250	(5,600)	97,381,393
Net Assets (Deficit)					
Without donor restrictions	2,898,113	857,829	(1,009)	-	3,754,933
With donor restrictions	4,884,679	-	-	-	4,884,679
Total net assets (deficit)	7,782,792	857,829	(1,009)	-	8,639,612
Total liabilities and net assets (deficit)	$ 105,164,185	$ 862,179	$ 241	$ (5,600)	$ 106,021,005

Greenstone Living and Controlled Organizations

Consolidating Statement of Operations
Year Ended December 31, 2025

	Luthercare	Greenstone Living	Greenstone Mosaic, LLC	Eliminations	Consolidated Total
Revenues, Gains and Other Support					
Net resident service revenues	$ 38,887,060	$ -	$ -	$ -	$ 38,887,060
Child care programs	1,351,946	-	-	-	1,351,946
Other income	118,261	-	-	-	118,261
Net assets released from restriction	500,835	-	-	-	500,835
Total revenues, gains and other support	40,858,102	-	-	-	40,858,102
Expenses					
Salaries and wages	13,044,856	-	-	-	13,044,856
Professional fees and purchased services	11,324,145	1,450	1,462	-	11,327,057
Depreciation	7,107,824	-	-	-	7,107,824
Employee benefits and payroll taxes	4,246,225	-	-	-	4,246,225
Occupancy	3,628,537	-	965	-	3,629,502
Resident and child care services	1,749,219	-	-	-	1,749,219
Agency	1,641,015	-	-	-	1,641,015
Interest	1,754,330	-	-	-	1,754,330
Operational activities	610,208	-	-	-	610,208
Repairs and maintenance	1,050,289	-	-	-	1,050,289
Advertising	360,884	-	-	-	360,884
Other	30,922	-	-	-	30,922
Total expenses	46,548,454	1,450	2,427	-	46,552,331
Operating loss	(5,690,352)	(1,450)	(2,427)	-	(5,694,229)
Other Income (Expense)					
Change in fair value of interest rate swap agreements	(247,540)	-	-	-	(247,540)
Contributions	362,950	-	-	-	362,950
Investment income	1,627,657	26,398	-	-	1,654,055
Net realized gain on sales of investments	370,783	-	-	-	370,783
Trust income	135,766	-	-	-	135,766
Change in net unrealized gains and losses on investments	2,729,484	85,781	-	-	2,815,265
Loss on disposal of property and equipment	(156,188)	-	-	-	(156,188)
Employee retention credit	3,503,454	-	-	-	3,503,454
Loss on refinancing	(544,659)	-	-	-	(544,659)
Revenues in excess of (less than) expenses	2,091,355	110,729	(2,427)	-	2,199,657
Net Asset Transfer	(750,000)	750,000	-	-	-
Change in net assets (deficit) without donor restrictions	$ 1,341,355	$ 860,729	$ (2,427)	$ -	$ 2,199,657

Greenstone Living and Controlled Organizations

Consolidating Statement of Changes in Net Assets (Deficit)
Year Ended December 31, 2025

	Luthercare	Greenstone Living	Greenstone Mosaic, LLC	Eliminations	Consolidated Total
Change in Net Assets (Deficit) Without Donor Restrictions					
Revenues in excess of (less than) expenses	$ 1,341,355	$ 860,729	$ (2,427)	$ -	$ 2,199,657
Net asset transfer	(750,000)	750,000	-	-	-
Change in net assets (deficit) without donor restrictions	591,355	1,610,729	(2,427)	-	2,199,657
Net Assets With Donor Restrictions					
Contributions and bequests	512,891	-	-	-	512,891
Change in value, beneficial interest in perpetual trusts	81,356	-	-	-	81,356
Net assets released from restriction	(500,835)	-	-	-	(500,835)
Change in net assets with donor restrictions	93,412	-	-	-	93,412
Change in net assets (deficit)	684,767	1,610,729	(2,427)	-	2,293,069
Net Assets (Deficit), Beginning	6,348,025	(2,900)	1,418	-	6,346,543
Net Assets (Deficit), Ending	$ 7,032,792	$ 1,607,829	$ (1,009)	$ -	$ 8,639,612

Appendix V

Luthercare℠
Together in Community

2026 Budget

Revenues		
Independent living service fees	$	15,691
Personal care room & board		11,502
Nursing home room & board		14,337
Ancillary supplies & services		1,577
Benevolent Care		(2,794)
Nursing home assessment tax income		409
Child care service fees & community services		1,877
Other income		308
Total revenues		42,907
Expenses		
Salaries, wages, taxes & benefits		19,291
Consultant, contracted services & providers		10,022
Ancillary supplies & other operating expenses		2,541
Nursing home assessment tax expense		232
Depreciation		7,806
Bond interest & fees		1,719
Property & maintenance		1,168
Insurance		678
Utilities		1,909
Real estate taxes		1,410
Operating expenses		46,774
Operating loss		(3,867)
Other income		
Other income		-
Fundraising income		750
Investment income realized		1,230
Total other income		1,980
Net loss	$	(1,886)

Treasurer's Report: Overview

December 31, 2025

Operating Results

Over the last several years, economic pressures such as staffing shortages, increased government regulations, and inflation have challenged the not-for-profit senior living industry and the growth of our organizational missions. As we reflect and report on 2025 results, Luthercare has shown its diligence in addressing and adapting to these various economic pressures in order to further our Lutheran mission. Luthercare's leadership team over the past several years has implemented various processes and efficiencies in order to address these economic challenges. During 2025, a refinancing occurred leading to strong improved financial ratios and becoming Fitch rated at a BBB+. Luthercare ended the fiscal year ended December 31, 2025, with total revenues of $49.2M ($7.1M favorable to budget), operating loss of $5.7M ($3.4M favorable to budget) and an increase in total net assets of $2.2M ($2.3M favorable to budget).

Total Operating Revenues of $40.1M were slightly above target to a budget of $40M. While reflected below, total nursing census decreased versus budget; overall revenues from nursing were approximately $1.7M below budget due to increase in total Medicaid residents versus private pay. Medicaid pays approximately half the rate of private, while still providing same quality of care. Personal care occupancy continues to be strong with 93% at slight miss from budget of 94%. Independent living occupancy remains strong at 95%.

	Actual 2025			Budget 2025		
	Luther Acres Campus	St. John's Herr Estate Campus	Total	Luther Acres Campus	St. John's Herr Estate Campus	Total
Independent Living	98%	92%	95%	97%	95%	96%
Personal Care	94%	92%	93%	97%	90%	94%
Nursing	96%	N/A	96%	97%	N/A	97%

Total operating expenses of $46.5M were $4.3M unfavorable to a budget of $42.2M. This was mainly driven by (1) high self insurance claim volume ($1M unfavorable), (2) increased agency usage ($1.1M unfavorable), (3) increase in dining ($0.6M unfavorable), driven by significant increase in food and labor costs.

Other income (expense) of $7.9M consists of investment income, contributions, and non-cash items. Contributions of $0.3M which were $0.1M above budget, including a strong investment portfolio which generated $2M in realized investment income that was reinvested back into investments, in addition to the $3.5M employee retention credit, led to improved total improvement to revenues in excess of expenses. Non-cash income items consist of non-cash loss on interest rate swap valuation ($0.2M) and loss on refinancing of ($0.5M). These non-cash income items were offset by a non-cash unrealized gain on investments which was driven by the improvement in investment market conditions from 2024 to 2025 ($2.8M).

Bond Covenants

As of December 31, 2025, Luthercare was in compliance with all debt covenants, with a debt service coverage ratio of 5.09 and days cash on hand at 323.

Luther Acres
A Luthercare Community