WHITE HORSE Village™

Expanding life's possibilities.™

Annual Disclosure Statement

1989–2026

WHITE HORSE Village™

Expanding life's possibilities.™

VISION

To inspire a world of possibilities on life's journey.

MISSION

We intentionally create opportunities for extraordinary living in a vibrant, diverse community through personal growth, connectedness and relationships.

VALUES

Integrity	Do the right thing even when nobody is looking.
Compassion	Demonstrate care and empathy in all our interactions.
Inclusiveness	Create a diverse environment that is welcoming and accepting.
Growth	Explore opportunities for learning and change.
Generosity	Give of oneself to benefit others.
Respect	Value the worth of each person.
Relationships	Develop meaningful connections with one another.
Stewardship	Commit to use our resources wisely.

535 Gradyville Road
Newtown Square
Pennsylvania 19073
610-558-5000
www.whitehorsevillage.org

White Horse Village Inc.

Under The Pennsylvania Continuing Care Provider Registration and Disclosure Act

The issuance of a Certificate of Authority does not constitute approval, recommendation or endorsement of the facility by the Department of Insurance nor is it evidence of, nor does it attest to the accuracy or the completeness of the information set out in the disclosure statement.

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Summary of Information

1. Name and Address of Facility

White Horse Village Inc.
535 Gradyville Road
Newtown Square, Pennsylvania 19073

2. Name and Address of Licensed Provider

White Horse Village Inc.
535 Gradyville Road
Newtown Square, Pennsylvania 19073

3. Marketing Contact

To discuss moving to White Horse Village, call, write or e-mail:

Susan Abtouche
VP of Mission Enhancement
White Horse Village Inc.
535 Gradyville Road
Newtown Square, Pennsylvania 19073
610-558-5000
sabtouche@whitehorsevillage.org

4. Description of Physical Plant

Community is located in a rural section of Delaware County on 117 acres. Independent living units consist of 94 apartments in two, two-story buildings, 70 one-story garden apartments, 116 villa units, 28 carriage homes and 22 country homes. The Healthcare Center consists of 55 private nursing care suites, 48 private personal care suites and 20 private personal care suites for those with cognitive changes.

5. Move-In Age

Residents must be at least 62 years of age. A spouse and/or companion sharing living may be under 62, but older than 58, if he or she satisfies all other requirements for move-in.

6. Affiliation

White Horse Village Inc. is not affiliated with any religious, fraternal, charitable or other not-for-profit organization, other than the White Horse Village Foundation, Inc. and the White Horse Village Residents Association.

7. *Current Resident Population*

White Horse Village Inc. had approximately 530 residents as of March 31, 2026.

8. *Sample of Fees*

The following is a sample of the 80% refundable entrance fees and monthly maintenance fees, effective January 1, 2026, for a typical one-bedroom apartment for occupancy by one or two persons:

	Single Occupancy	Double Occupancy
Entrance Fees	$ 328,400	$ 391,200
Monthly Fees	$ 5,050	$ 7,444

Responses to Section 7 of Pennsylvania Act 82

The following contains the information required by the Continuing Care Provider Registration and Disclosure Act (act 82) as listed in Section 7.

I. Name and Address of Provider

The Provider is White Horse Village Inc., a not-for-profit Pennsylvania corporation whose address is 535 Gradyville Road, Newtown Square, Pennsylvania 19073.

II. Board of Directors

The following persons comprise the Board of Directors of White Horse Village, none of whom have a financial ownership interest in White Horse Village Inc.:

- Joan Deming-Murphy, RN (Chair) .... Healthcare Consultant
- Albert Deana, CPA (Treasurer) .... Financial Executive
- Louis Bell, MD........Healthcare Executive and Medical Practitioner
- Anthony Buividas........................ Healthcare Executive Consultant
- Jeff Chiappa.................Healthcare Executive and Business Owner
- Ken Frantz ....Cyber and Artificial Intelligence Consultant
- Terry Gallagher................................Construction Project Manager
- Maureen Hetu...............Senior Information Technology Executive
- Cheryl Kiley... Employee Benefits
- Norman Ledwin ....Resident, Healthcare Executive
- Cathy Mikus..Healthcare Law
- Ursula Siebeneich.................................... Resident, IT Professional
- Steven Videon .... Business Owner

III. Statement of Affiliation

White Horse Village is not affiliated with any religious or charitable organization other than the White Horse Village Foundation, Inc. and the White Horse Village Residents Association. White Horse Village Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. White Horse Village is also the sole member of White Horse Village Therapy, LLC, an entity that provides therapy services to White Horse Village. White Horse Village is also the sole member of White Horse Village Home Care, LLC, an entity that provides Home Care services to the White Horse Village community.

IV. Location and Description of Facility

Pennsylvania, and consists of four major components: 331 residential living accommodations ranging from studio apartments to carriage homes, a clubhouse with dining, recreational, fitness, wellness, medical and administrative areas, a 48-suite personal care facility (Bridlewood), a 20-suite personal care facility for those with cognitive changes (Four Seasons) and a 55-bed skilled nursing care facility (Canterbury). The personal care and skilled nursing care facility collectively are referred to as the "Healthcare Center." Direct admittance to the Healthcare Center is available on a per diem basis by non-lifecare residents. Additionally, the community has garden courts, shuffleboard, Bocce, a putting green and a Wellness Center with indoor pool and spa, fitness training, massage therapy, aerobics/dance studio and weight training.

There are a variety of attractive and comfortable dining venues with flexible meal plans. Dining venues include the Steeplechase Restaurant, White Horse Tavern and Paddock Grille.

V. Services

The services provided at White Horse Village include both residential and healthcare support services.

Services included in the standard monthly fee are as follows:

1. Use of living accommodations and common facilities: library, Wellness Center, art studio, auditorium, restaurant, tavern, cafe, meeting rooms, wood shop, pool, putting green, horseshoes, bocce and shuffleboard,
2. Bi-monthly cleaning of living accommodation,
3. Monthly fee includes a flexible spending plan for dining or resident may opt out and receive a credit on the monthly invoice,
4. Maintenance and repair of the living accommodation and the grounds and equipment of the community,
5. Utility services including: heat, air conditioning, water, electricity and cable television,
6. Campus-wide and local transportation within scheduled parameters,
7. Healthcare support services as prescribed or approved by the Medical Director and subject to the insurance requirements as listed in the Residence and Care Agreement including:
    a. general nursing care
    b. all private accommodations in the Healthcare Center
    c. special dietary consultations
    d. rehabilitation therapies

V. Services (cont.)

White Horse Village is located on Gradyville Road in Edgmont Township, Delaware County,

1. Telephone service,
2. Additional dining services (beyond flexible spending plan amount),
3. Catering services,
4. Salon services,
5. Massages,
6. Medical Services, including:
    a. Medications and medication administration,
    b. Personal care and comfort items,
    c. Maintenance therapy in rehabilitation,
    d. Orthopedic devices,
    e. Private nursing,
    f. Podiatry, and
    g. Medical supplies,
7. Additional transportation services, and
8. Residential support services, including:
    a. Companion services,
    b. Pet care,
    c. Maintenance services,
    d. Laundry services,
    e. Catering services,
    f. Meal delivery,
    g. Massage therapist, and
    h. Personal training.

VI. Fees

Fees for White Horse Village include both monthly fees and entrance fees. Single occupancy fees are listed below:

**Prices effective as of 01/01/2026*

UNIT TYPE	ENTRANCE FEE 80% REFUNDABLE PLAN	ENTRANCE FEE STANDARD PLAN	MONTHLY FEE
Studio	$240,550	$141,650	$4,217
One Bedroom	$328,400	$193,150	$5,050
One Bedroom/Den	$523,900	$308,150	$6,086
Two Bedroom	$610,350	$359,350	$6,218
Villa	$730,800	$429,900	$6,569
Villa/Carport	$769,300	$452,550	$6,861
Villa/Carport/Basement	$1,004,200	$591,000	$7,295
Country Home	$1,261,700	$742,350	$7,800
Carriage Home	$1,434,100	$843,600	$8,426

White Horse Village provides two full lifecare and two limited lifecare entry fee contract types. The Traditional Plan includes, a Standard option with a declining balance entrance fee or an 80% Refundable plan entrance fee. The Modified Plan also includes, a Standard option (declining balance) or an 80% Refundable option entrance fee.

Services available at extra charge:

VI. Fees (cont.)

needed. Modified Plans provide limited long-term nursing or personal care services in private suites and are an added option for those that either have long-term care insurance or who plan to self-fund long-term health care fees, if needed. For both plan types, the Standard plan provides an entry fee refund that declines by 2% per month after entry. Thus, refund provisions expire after 50 months from move-in. The 80% Refundable plan provides an entry fee refund of 80% (minus any applicable costs). Refunds are issued at the termination of the contract, when the living unit has been re-occupied and a new entry fee is received.

Entry fees do not include a non-refundable processing fee of $200 for a single person or $300 for two people. Monthly fees and fees for services not included in the agreement may be adjusted from time to time to reflect the changing costs in the operation of White Horse Village. Such fee adjustments will be communicated to the residents at least 30 days in advance of the effective date, except for adjustments due to changes in fees, charges or scope of care or services by state or federal assistance programs, which shall be effective immediately.

White Horse Village accepts admissions directly into the Healthcare Center. These Private Pay Fees for the Healthcare Center as of January 1, 2026 are:

- Brindlewood Personal Care
  - *Level 1*... $276 per Day
  - *Level 2*... $341 per Day
- Four Seasons Personal Care (for those with cognitive changes)
  - *Level 1*... $392 per Day
  - *Level 2*... $458 per Day
- Canterbury Skilled Nursing
  - *Private Room*.. $545 per Day
  - *Level Private Suite*... $575 per Day

For single occupancy in a one-bedroom apartment at White Horse Village, the fee increases for the past five years have been as follows:

Residential Living

EFFECTIVE DATE	PER MONTH	INCREASE AMOUNT
January 1, 2022	$4,348	$127
January 1, 2023	$4,609	$261
January 1, 2024	$4,816	$207
January 1, 2025	$4,889	$ 73
January 1, 2026	$5,050	$161

Traditional Plans include long-term nursing or personal care services in private suites if

VI. Fees (cont.)

For the Healthcare Center the fee increases for the past five years are as follows:

Brindlewood Personal Care – Level 2

EFFECTIVE DATE	PRIVATE PER DAY	INCREASE AMOUNT
January 1, 2022	$291	$ 8
January 1, 2023	$304	$13
January 1, 2024	$318	$14
January 1, 2025	$330	$12
January 1, 2026	$341	$11

Four Seasons Personal Care
(for those with cognitive changes – Level 1)

EFFECTIVE DATE	PRIVATE PER DAY	INCREASE AMOUNT
January 1, 2022	$335	$10
January 1, 2023	$350	$15
January 1, 2024	$366	$16
January 1, 2025	$379	$11
January 1, 2026	$392	$13

Canterbury Skilled Nursing

EFFECTIVE DATE	PRIVATE PER DAY	INCREASE AMOUNT
January 1, 2022	$466	$14
January 1, 2023	$487	$21
January 1, 2024	$509	$22
January 1, 2025	$528	$19
January 1, 2026	$545	$17

VII. Reserves

Under the provisions of the Pennsylvania Continuing Care Provider Registration and Disclosure Act (the Act), the Community must maintain a statutory minimum liquid reserve that is equal to the greater of 10% of the total projected operating expenses for the next twelve months, exclusive of depreciation and amortization, or the total of all debt service (principal/interest) due during the upcoming twelve months 2024 debt service requirements. The statutory minimum liquid reserve requirement as of December 31, 2025 and 2025 is **$3,630,849** and **$3,564,583**, respectively. Under the provisions and related amendments of the Act, cash and cash equivalents and investments of the Community satisfy this requirement. Management believes that the Community is in compliance with all other requirements of the Act as of December 31,

VII Reserves (cont.)

2024. The minimum liquid reserve as of December 31, 2025 and 2024 is as follows:

	2025	*2024*
Projected Annual Operating Expenses	$36,216,767	$34,678,464
Minimum Rate	10%	10%
Total	$3,621,677	$3,467,846
Projected Debt Service Requirement	$3,630,849	$3,564,583
Greater of debt service requirement or projected annual operating expense: Statutory Liquid Reserve Requirement	$3,630,849	$3,564,583

VIII. Projected Revenue and Expense Summary 2026

Revenue:

Resident Care Fees	$25,947,000
Medical Care Fees	11,174,000
Amortization of Deferred Entry Fees	6,600,000
Investment Income	500,000
Other	1,794,000
Total Revenue	$46,015,000

Expenses:

General and Administrative	$5,921,000
Plant and Maintenance	3,405,000
Housekeeping and Laundry	2,072,000
Dining Services	6,558,000
Health Services	12,012,000
Resident Services	1,009,000
Property	3,995,000
Depreciation	7,690,000
Interest	1,245,000
Total Expenses	$43,907,000

Excess Revenue over Expenses	$2,108,000

IX. Summary Comparison of 2025 Projected Revenue and Expenses with 2025 Actual Revenue and Expenses

Revenue:	2025 Actual	2025 Budget	Variance
Resident Care Fees	$25,053,000	$25,157,000	$(104,000)
Medical Care Fees	10,707,000	10,162,000	545,000
Amortization of Deferred Entry Fees	8,347,000	6,000,000	2,347,000
Investment Income	5,303,000	475,000	4,828,000
Other	1,837,000	1,341,000	497,000
Total Revenue	$51,247,000	$43,135,000	$8,113,000

Expenses:	2025 Actual	2025 Budget	Variance
General and Administrative	$5,304,000	$4,945,000	$359,000
Plant and Maintenance	3,601,000	3,488,000	112,000
Housekeeping and Laundry	1,980,000	1,898,000	82,000
Dining Services	6,739,000	6,220,000	519,000
Health Services	11,589,000	11,715,000	(126,000)
Resident Services	854,000	1,023,000	(169,000)
Property	3,934,000	3,454,000	480,000
Depreciation	7,751,000	6,200,000	1,551,000
Interest	1,284,000	1,600,000	(316,000)
Total Expenses	$43,036,000	$40,543,000	$2,492,000

Expenses:	2025 Actual	2025 Budget	Variance
Excess Revenue over Expenses	$8,211,000	$2,592,000	$5,621,000

Resident Care Fees were favorable to budget due to census being over the budgeted census.

Amortization of Deferred Entry Fee revenue was greater than budget due to both termination revenue that was higher than anticipated and annual amortization of existing non-refundable entry fees.

Investment Income was lower than budget due to writing off a portion of the Master Plan spending.

White Horse Village Inc.

Annual Disclosure Statement Attachments

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pennsylvania
INSURANCE DEPARTMENT

November 7, 2025

Nathan Niles, VP Finance and IT
White Horse Village
535 Gradyville Road,
Newtown Square, PA 19073

Via Email: NNiles@whitehorsevillage.org

RE: **2025 - Request to File Consolidated Audited Financial Reports**

Dear Mr. Niles:

The Pennsylvania Insurance Department ("the Department") is in receipt of White Horse Village request dated November 7, 2025, seeking approval to file consolidated audited financial statements in lieu of an individual audited statements for the Fiscal Year Ended ("FYE") December 31, 2025, pursuant to 31 Pa Code §147.7(a). This request is for White Horse Village Inc and White Horse Village Foundation, Inc are regulated entities.

Pursuant to 40 P.S. §3225, the Department hereby approves the request to file consolidated audited financial statements in accordance with 31 PA Code §147.7(c) for the FYE December 31, 2025, conditioned as follows:

1. The consolidated audited financial statements shall contain all of the information of the Company as required pursuant to 40 P.S. §3207(a)(9) and 31 PA Code §§147.7(c) and 151.11, which provides for an audited columnar or consolidating worksheet setting forth each entity's financial statement as well as eliminating entries.
2. The consolidated audited financial statements shall be prepared as set forth in 31 PA Code §147.4(e); and
3. Under 40 P.S. §3209, statutory liquid reserve calculation must be subjected to auditing procedures, included as part of the audited financial statement either in the notes or a supplemental schedule, and the amount is to be reported on the balance sheet (both main and consolidating) as a separate line item.

This approval is limited to the FYE December 31, 2025, annual audited financial statement. If consolidation is sought for subsequent reporting periods, a timely request must be submitted, and approval received pursuant to Pa Code §147.7(c).

Should you have any questions, please contact us at RA-IN-CCRC@pa.gov

Sincerely,

Karen Veronikis

Karen Veronikis
CCRC Exam Manager

Baker Tilly US, LLP
1650 Market St, Suite 4500
Philadelphia, PA 19103-7341
United States of America

T: +1 (215) 972 0701
F: +1 (888) 264 9617

bakertilly.com

Michael Humphreys
Insurance Commissioner
Commonwealth of Pennsylvania
Insurance Department
Strawberry Square
Harrisburg, Pennsylvania 17120

Dear Commissioner Humphreys:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of White Horse Village, Inc. and Controlled Entity (collectively, the "Community") as of and for the year ended December 31, 2025, and have issued our report thereon dated April 30, 2026. In connection therewith, we advise you as follows:

a. We are independent certified public accountants with respect to the Community and conform to the standards of the accounting profession as contained in the Code of Professional Conduct and pronouncements of the American Institute of Certified Public Accountants, and the Rules of Professional Conduct of the Pennsylvania Board of Public Accountancy.

b. The engagement partner, who is a certified public accountant, has over 30 years of experience in public accounting and is experienced in auditing continuing care providers. Members of the engagement team, most of whom have had experience in auditing continuing care retirement communities and are certified public accountants, were assigned to perform tasks commensurate with their training and experience.

c. We understand that the Community intends to file its audited consolidated financial statements and our report thereon with the Commonwealth of Pennsylvania Insurance Department (the "Insurance Department") and that the Commonwealth of Pennsylvania Insurance Commissioner (the "Insurance Commissioner") will be relying on that information in monitoring and regulating the financial condition of the Community.

   While we understand that an objective of issuing a report on the consolidated financial statements is to satisfy regulatory requirements, our audit was not planned or conducted to satisfy all objectives or responsibilities of insurance regulators. In this context, the Community and the Insurance Commissioner should understand that the objectives of an audit of financial statements in accordance with auditing standards generally accepted in the United States of America is to form an opinion as to whether the financial statements, which are the responsibility and representations of management, present fairly, in all material respects, the financial position, results of operations, changes in net assets, and cash flows in conformity with accounting principles generally accepted in the United States of America. Consequently, under generally accepted auditing standards, we have the responsibility, within the inherent limitations of the auditing process, to design our audit to provide reasonable assurance that errors and fraud that have a material effect on the financial statements will be detected, and to exercise due care in the conduct of our audit. The concept of selective testing of the data being audited, which involves judgment both as to the number of transactions to be audited and as to the areas to be tested, has been generally accepted as a valid and sufficient basis for an auditor to express an opinion on financial statements. Thus, our audit, based on the concept of selective testing, is subject to the inherent risk that material errors or fraud, if they exist, would not be detected. In addition, an audit does not address the possibility that material errors or fraud may occur in the future. Also, our use of professional judgment and the assessment of materiality for the purpose of our audit means that matters may exist that would have been assessed differently by you.

It is the responsibility of the management of the Community to adopt sound accounting policies, to maintain an adequate and effective system of accounts, and to establish and maintain internal control that will, among other things, provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

The Insurance Commissioner should exercise due diligence to obtain whatever other information may be necessary for the purpose of monitoring and regulating the financial position of continuing care retirement communities and should not rely solely upon the independent auditors' report.

d. We will retain the audit documentation prepared in the conduct of our audit until the Insurance Department has filed a Report of Examination covering 2025, but not longer than seven years. After notification to the Community, we will make the audit documentation available for review by the Insurance Department at the offices of the Community, at our offices, at the Insurance Department, or at any other reasonable place designated by the Insurance Commissioner. Furthermore, in the conduct of the aforementioned periodic review by the Insurance Department, photocopies of pertinent audit documentation may be made (under the control of the accountant) and such copies may be retained by the Insurance Department.

e. The engagement partner has served in that capacity since 2025 with respect to the Community; he is licensed by the Pennsylvania Board of Public Accountancy, and is a member in good standing of the American Institute of Certified Public Accountants.

f. To the best of our knowledge and belief, we are in compliance with the requirements of Section 7 of the NAIC's *Model Rule (Regulation) Requiring Annual Audited Financial Reports* regarding qualifications of independent certified public accountants.

This letter is intended solely for the information and use of the Board of Directors and management of the Community, and the Insurance Department, and is not intended to be and should not be used for anyone other than these specified parties.

Baker Tilly US, LLP

Philadelphia, Pennsylvania
April 30, 2026

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White Horse Village Inc. and Controlled Entity

Consolidated Financial Statements
and Supplementary Information

December 31, 2025 and 2024

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December 31, 2025 and 2024

Independent Auditors' Report

To the Board of Trustees of
White Horse Village, Inc. and Controlled Entity

Opinion

We have audited the consolidated financial statements of White Horse Village, Inc. and Controlled Entity (the Community), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Community as of December 31, 2025 and 2024, and the results of their operations, changes in its net assets and their 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 Community 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 Community's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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 Community'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 Community's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information identified in the table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 30, 2026

White Horse Village Inc. and Controlled Entity

Consolidated Balance Sheets
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 13,364,232	$ 16,189,033
Accounts receivable, net	1,305,767	942,298
Entrance fees receivable	742,052	1,957,224
Prepaid expenses and other assets	2,463,733	2,137,835
Investments	40,612,149	35,444,853
Statutory liquid reserve requirement	3,630,849	3,564,583
Assets held by White Horse Village Foundation, Inc.	14,329,521	6,524,286
Property and equipment, net	99,722,685	93,665,091
Total assets	$ 176,170,988	$ 160,425,203
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 1,369,252	$ 1,382,549
Accrued expenses	3,294,314	2,690,103
Construction payable	-	197,365
Accrued interest payable	82,045	124,557
Long-term debt	21,901,087	23,827,385
Fair value of interest rate swap agreements	1,083,048	924,777
Refundable deposits from prospective residents	1,071,861	1,026,973
Refundable entrance fees	28,787,470	28,117,537
Deferred entrance fee revenue	57,143,487	57,473,278
Total liabilities	114,732,564	115,764,524
Net Assets		
Without donor restrictions	53,676,636	44,069,502
With donor restrictions	7,761,788	591,177
Total net assets	61,438,424	44,660,679
Total liabilities and net assets	$ 176,170,988	$ 160,425,203

See notes to consolidated financial statements

White Horse Village Inc. and Controlled Entity

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

	2025	2024
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident care fees	$ 26,023,178	$ 25,004,009
Medical care fees	11,004,280	10,316,150
Amortization of deferred entrance fee revenue	8,347,232	8,291,447
Investment return	6,670,132	4,219,260
Net assets released from donor restrictions used for operations	573,942	509,652
Other	658,908	520,982
Total revenues, gains and other support	53,277,672	48,861,500
Expenses:		
Health services	10,198,125	9,783,723
Depreciation	7,751,309	6,814,681
General and administrative	6,962,180	6,777,080
Dining services	6,739,275	6,050,800
Plant and maintenance	6,501,687	5,967,546
Housekeeping and laundry	1,998,621	1,772,494
Interest	1,284,461	1,452,460
Real estate taxes	1,531,837	1,442,231
Resident support services	544,772	461,983
Total expenses	43,512,267	40,522,998
Operating income	9,765,405	8,338,502
Other Income (Loss)		
Change in fair value of interest rate swap agreements	(158,271)	560,301
Loss on abandonment of project	-	(5,118,626)
Other loss	(158,271)	(4,558,325)
Net operating income and change in net assets without donor restrictions	9,607,134	3,780,177
Net Assets With Donor Restrictions		
Contributions	7,744,553	463,834
Net assets released from donor restrictions used for:		
Resident assistance	(110,953)	(224,442)
Scholarships and other expenses	(462,989)	(285,210)
Change in net assets with donor restrictions	7,170,611	(45,818)
Change in net assets	16,777,745	3,734,359
Net Assets, Beginning	44,660,679	40,926,320
Net Assets, Ending	$ 61,438,424	$ 44,660,679

See notes to consolidated financial statements

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

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 16,777,745	$ 3,734,359
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,751,309	6,814,681
Amortization of debt issuance costs	38,285	41,788
Loss on abandonment of project	-	5,118,626
Net realized and unrealized gain on investments	(5,358,546)	(3,210,596)
Change in fair value of interest rate swap agreements	158,271	(560,301)
Amortization of deferred entrance fee revenue	(8,347,232)	(8,291,447)
Proceeds from nonrefundable entrance fees	8,503,203	7,652,739
Changes in assets and liabilities:		
Accounts receivable	(363,469)	(33,481)
Prepaid expenses and other assets	(325,898)	(286,468)
Accounts payable	(13,297)	694,315
Accrued expenses	604,211	146,755
Accrued interest payable	(42,512)	-
Net cash provided by operating activities	19,382,070	11,820,970
Cash Flows From Investing Activities		
Acquisition of property and equipment	(14,006,268)	(9,806,747)
Net purchases of investments and assets whose use is limited	(6,569,023)	(482,860)
Net cash used in investing activities	(20,575,291)	(10,289,607)
Cash Flows From Financing Activities		
Proceeds from refundable entrance fees	3,772,320	2,715,760
Refunds of entrance fees	(2,372,977)	(1,232,293)
Payments on long-term debt	(1,964,583)	(2,144,584)
Waiting list and entrance fee deposits received, net	44,888	106,973
Net cash used in financing activities	(520,352)	(554,144)
Net (decrease) increase in cash, cash equivalents and restricted cash	(1,713,573)	977,219
Cash, Cash Equivalents and Restricted Cash, Beginning	17,557,430	16,580,211
Cash, Cash Equivalents and Restricted Cash, Ending	$ 15,843,857	$ 17,557,430
Supplementary Disclosure of Cash Flow Information		
Cash paid during the year for interest expense	$ 1,288,688	$ 1,410,672
Noncash construction payable	$ -	$ 197,365

See notes to consolidated financial statements

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

White Horse Village Inc. (WHV) located in Edgmont Township, Delaware County, Pennsylvania, is a Pennsylvania not-for-profit corporation that owns and operates a continuing care retirement community consisting of 332 residential units, a commons building and a health care center containing 55 skilled nursing beds and 68 personal care units.

WHV established White Horse Village Foundation, Inc. (the Foundation) in 2022, which replaced the former White Horse Village Endowment, Inc. WHV is the sole member of and controls the Foundation. The Foundation's purpose is to accept and utilize donations for the sole benefit of the residents of WHV. Additionally, the Foundation benefits team members through its Employee Assistance Fund, Employee Scholarship Fund and Team Member Emergency Fund.

Subsequent events were evaluated for recognition or disclosure through April 30, 2026, the date the consolidated financial statements were available to be issued.

Principles of Consolidation

The consolidated financial statements include the accounts of WHV and the Foundation (collectively, the Community). All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash

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

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows at December 31:

	2025	2024
Cash and cash equivalents	$ 13,364,232	$ 16,189,033
Restricted cash included in investments and assets whose use is limited	2,479,625	1,368,397
Total	$ 15,843,857	$ 17,557,430

Accounts Receivable and Entrance Fees Receivable

WHV assesses collectability on all resident accounts prior to providing services. An allowance for credit losses is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. The allowance for credit losses is estimated by management based on factors such as aging of the accounts receivable and anticipated collection of the consideration. Accounts are written off through bad debt expense when WHV has exhausted all collection efforts and accounts are deemed impaired. The allowance for credit losses was approximately $421,000 and $410,000 at December 31, 2025 and 2024, respectively. Accounts receivable, net as of December 31, 2023 (beginning of reporting period) was $908,817.

Entrance fees receivable are evaluated for collectability prior to residents taking possession of a living unit at WHV based on the resident's credit worthiness. The terms and conditions of each entrance fee receivable are determined when a resident agreement is executed.

Investments and Investment Risk

Investments with readily determinable fair values are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in operating income in the consolidated statements of operations and changes in net assets unless the income or loss is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The fair values reported in the consolidated balance sheets are subject to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the consolidated balance sheets could change materially in the near term.

Assets Whose Use is Limited

Assets whose use is limited include assets set aside 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) and assets held by the Foundation.

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 Community reviews all disbursements greater than $1,000 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 and changes in net assets.

Debt Issuance Costs

Debt issuance costs incurred in connection with the issuance of long-term debt are deferred and amortized using the straight-line method, which approximates the effective interest method. Amortization expense was $38,285 in 2025 and $41,788 in 2024 and is included as a component of interest expense on the consolidated statements of operations and changes in net assets.

Interest Rate Swap Agreements

WHV has entered into interest rate swap agreements, which convert variable rate debt to a fixed rate. WHV enters 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. WHV chose not to elect hedge accounting for its derivative instruments. Therefore, variations in fair value are marked-to-market and reported within net operating income.

Refundable Deposits From Prospective Residents

Refundable deposits from prospective residents represent waiting list deposits and partial payments of entrance fees on units assigned but not yet occupied. The initial waiting list deposit by a prospective resident is fully refundable and can later be credited toward the entrance fee.

Entrance Fees

WHV offers residents guaranteed refundable and nonrefundable entrance fee plans. The entrance fees under the guaranteed refundable plans are 80% refundable upon reassignment of the unit. The entrance fees under the nonrefundable plans are initially refundable upon receipt but become nonrefundable at the rate of 2% per month until becoming fully nonrefundable after 50 months. The guaranteed refundable and nonrefundable plans are offered as either Life Care Contracts or Modified Life Care Contracts. Under the Life Care Contracts, residential living residents are entitled to unlimited personal care or skilled nursing services, as needed, with limited increases in the current monthly service fees as a result of transferring to a higher level of care. Under the Modified Life Care Contracts, residential living residents are entitled up to 60 days of personal care or skilled nursing services, as needed. After the 60 days are utilized, the resident pays the per-diem rate for personal care or skilled nursing services.

The nonrefundable component of entrance fees are recorded as deferred entrance fee revenue and amortized into revenue over the actuarially determined life expectancy of each individual resident or couple, adjusted annually, which approximates the period of time that goods and services under the resident agreements are expected to be transferred to residents and WHV's performance obligation to the residents is satisfied. Upon the death of a sole surviving resident, any remaining unamortized portion of the entrance fee is recognized as operating revenue. The guaranteed refundable portion of entrance fees is classified as refundable entrance fees on the consolidated balance sheets and is not amortized to revenue.

At December 31, 2025 and 2024, the portion of entrance fees subject to refund provisions amounted to approximately $44,097,000 and $43,839,000, respectively, of which $3,563,531 and $4,098,194, respectively, relate to residents who have permanently transferred to personal care or skilled nursing care and their independent living unit has been or is available to be reoccupied.

Obligation to Provide Future Services

WHV periodically calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred entrance fee revenue discounted at 5%. If the present value of the net obligation to provide future services and use of facilities exceeds the deferred entrance fee revenue, a liability is recorded. Based on the last calculation performed (December 31, 2024), no excess was calculated. As such, no liability was recorded at December 31, 2025 and 2024.

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 Community and changes therein are classified as follows:

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

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that may be met either by the passage of time or other events specified by the donor. All revenues restricted by donors as to either timing or purpose of the related expenditures 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.

Resident and Medical Care Fees

Resident and medical care fees are reported at the amount that reflects the consideration WHV 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. Resident and medical care fees are recognized as performance obligations are satisfied.

Payment terms and conditions for WHV's resident agreements vary by contract type and payor source, although terms generally include payment to be made within 30 days. Resident and medical care fees for recurring and routine monthly services due from self-pay residents are generally billed monthly in advance. Resident and medical care fees for ancillary services due from self-pay residents are generally billed monthly in arrears. Medicare care fees due from Medicare and other third-party payor programs are billed monthly in arrears.

Resident and medical care fees are primarily comprised of skilled nursing, personal care, independent living and ancillary and other resident service revenue streams, which are primarily derived from providing housing, skilled nursing, personal care, ancillary and other resident services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. WHV 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, WHV considers the services provided to residents in each level of care to be one performance obligation which is satisfied over time as services are provided. As such, skilled nursing, personal care, independent living, ancillary and other resident service revenues are recognized on a daily or month-to-month basis as services are rendered.

WHV receives revenue for services under third-party payor programs, including Medicare 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. WHV estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends. 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 resident and medical care fees in the period of change.

Contract Balances

Contract assets represent the Community's right to consideration in exchange for goods or services that the Community has transferred to a resident when that right is conditioned on something other than the passage of time (for example, the Community's future performance). The Community has no contract assets.

Contract liabilities represent the Community's obligation to transfer goods or services to a resident for which the Community has received consideration (or the amount is due) from the resident. Deferred entrance fee revenue is a contract liability. The beginning and ending balances of deference entrance fee revenue are presented on the Community’s consolidated balance sheets as of December 31, 2025 and 2024. Deferred entrance fee revenue was $56,613,382 at December 31, 2023.

Income Taxes

WHV and the Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on exempt income under Section 501(a) of the Internal Revenue Code.

Performance Indicator

The Community's performance indicator is net operating income. Changes in net assets without donor restrictions which are excluded from net operating income, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions, which by the donor restriction were to be used to the purposes of acquiring such assets).

2. Liquidity and Availability

Financial assets available for general expenditures within one year of the consolidated balance sheets date consist of the following at December 31:

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 13,364,232	$ 16,189,033
Accounts receivable, net	1,305,766	942,298
Entrance fees receivable, net	742,052	1,957,224
Total financial assets	$ 15,412,050	$ 19,088,555

The Community has investments, which have been designated for long-term use by the Board of Directors, and therefore, are excluded from the amounts above, however these investments could be made available for general expenditures within one year in the normal course of operations. The Community has other assets limited to use to meet the statutory minimum liquid reserve requirements of Section 9 of Act 82, which are excluded from the amounts above, however these assets whose use is limited could be made available for general expenditures within one year in the normal course of operations.

3. Resident and Medical Care Fees

The composition of resident and medical care fees by primary payor is as follows for the years ended December 31:

	2025	2024
Private pay	$ 34,669,808	$ 33,311,810
Medicare	2,357,650	2,008,349
Total resident and medical care fees	$ 37,027,458	$ 35,320,159

The composition of resident and medical care fees by level of care is as follows for the years ended December 31:

	2025	2024
Level of care:		
Independent living	$ 26,023,178	$ 25,004,009
Skilled nursing	6,420,782	5,952,629
Personal care	4,583,498	4,363,521
Total	$ 37,027,458	$ 35,320,159

Skilled nursing services rendered to Medicare program beneficiaries are reimbursed at prospectively determined rates. WHV is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by Medicare.

Skilled nursing revenue is reported at net realizable amounts from residents, third-party payors and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

4. Fair Value Measurements, Investments and Assets Whose Use is Limited

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 Community 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:

	December 31, 2025		
	Level 1	Level 2	Total
Assets:			
Investments and assets whose use is limited:			
Money market funds	$ 2,369,071	$ -	$ 2,369,071
Equity securities	16,875,100	-	16,875,100
Equity mutual funds	14,522,800	-	14,522,800
Corporate bonds	-	7,040,772	7,040,772
U.S. government securities	-	3,303,423	3,303,423
Exchange traded funds	13,757,507	-	13,757,507
Total investments and assets whose use is limited in fair value hierarchy	$ 47,524,478	$ 10,344,195	$ 57,868,673
Liabilities:			
Interest rate swap agreements	$ -	$ 1,083,048	$ 1,083,048

Reconciliation of investments and assets whose use is limited to the consolidated balance sheet:	
Cash and cash equivalents	$ 110,555
Alternative investment funds (a)	593,291
Investments and assets whose use is limited in the fair value hierarchy	57,868,673
Total investments and assets whose use is limited	$ 58,572,519

	December 31, 2024		
	Level 1	Level 2	Total
Assets:			
Investments and assets whose use is limited:			
Money market funds	$ 1,239,143	$ -	$ 1,239,143
Equity securities	16,878,685	-	16,878,685
Equity mutual funds	15,138,790	-	15,138,790
Corporate bonds	-	6,359,947	6,359,947
U.S. government securities	-	3,848,286	3,848,286
Exchange traded funds	1,381,742	-	1,381,742
Total investments and assets whose use is limited in fair value hierarchy	$ 34,643,360	$ 10,208,233	$ 44,846,593
Liabilities:			
Interest rate swap agreements	$ -	$ 924,777	$ 924,777
Reconciliation of investments and assets whose use is limited to the consolidated balance sheet:			
Cash and cash equivalents	$ 129,254		
Alternative investment funds (a)	557,875		
Investments and assets whose use is limited in the fair value hierarchy	44,846,593		
Total investments and assets whose use is limited	$ 45,533,722		

(a) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amount of $593,291 and $557,875 at December 31, 2025 and 2024, respectively, permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheets. There were unfunded commitments of approximately $122,000 related to these investments at December 31, 2025.

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

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 WHV. 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 WHV would pay to terminate the agreements.

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

	2025	2024
Investments	$ 40,612,149	$ 35,444,853
Assets whose use is limited	17,960,370	10,088,869
Total	$ 58,572,519	$ 45,533,722

Investment return is comprised of the following in:

	2025	2024
Interest and dividends	$ 1,311,586	$ 1,008,664
Net unrealized gain on investments	2,509,115	768,581
Net realized gain on the sale of investments	2,849,431	2,442,015
Total	$ 6,670,132	$ 4,219,260

WHV designated a portion of its investments reserved to comply with the requirements of Section 9 of Act 82. The designated amount was $3,630,849 at December 31, 2025 and was calculated as follows:

Budgeted operating expenses for 2026, excluding depreciation	$ 36,216,767
Statutory requirement	10%
Total	$ 3,621,677
Budgeted debt service requirements for 2026	$ 3,630,849
Greater of debt service requirement or projected annual operating expense: Statutory liquid reserve requirement	$ 3,630,849

5. Property and Equipment

Property and equipment is comprised of the following at December 31:

	2025	2024
Land	$ 8,315,311	$ 8,315,311
Building and improvements	181,077,347	173,382,307
Furniture and equipment	12,467,949	11,225,258
Construction in progress	5,229,571	403,031
Total property and equipment	207,090,178	193,325,907
Accumulated depreciation	(107,367,493)	(99,660,816)
Property and equipment, net	$ 99,722,685	$ 93,665,091

During 2024, WHV made the decision to abandon a planned independent living expansion project. The decision was based on a change in strategic priorities. As a result, management conducted an assessment and determined costs that have been incurred had no future economic benefit. Consequently, a loss on abandonment of project of $5,118,626 was recorded in the consolidated statements of operations and changes in net assets.

6. Long-Term Debt

On December 16, 2014, WHV restructured the bonds issued by the Delaware County Authority (the Authority). The transaction was a direct purchase of the Series A of 2006, Series B of 2006 and Series of 2008 Variable Rate Revenue Bonds by Citizens Bank (the Bank). Under the terms of the restructuring, the Series A of 2006, Series B of 2006 and Series of 2008 Variable Rate Revenue Bonds remain outstanding. However, there were modifications made to the interest rates, repayment schedule and financial covenant requirements.

Effective September 1, 2022, the Authority amended the existing 2006 and 2008 Bond Indentures to provide for a new Secured Overnight Financing Rate (SOFR) Model and converted the outstanding 2006 and 2008 Bonds to the new SOFR Rate Mode. Concurrently with the closing of the conversion of the 2006 and 2008 Bonds, WHV entered into a Federally Taxable Revolving Line of Credit (the Line of Credit) with the Bank in an amount not to exceed $10,000,000, to provide additional funding for their capital expenditure needs. There were no draws on the Line of Credit at December 31, 2025 and 2024.

Under the Bond Indenture, WHV must comply with various financial covenants, the most restrictive of which require maintaining a debt service coverage ratio of 1.20 and at least 120 days' cash on hand.

WHV has granted to the Authority a security interest in its gross revenues and granted to the Trustee a security interest in certain tangible personal property.

Long-term debt consists of the following at December 31:

	2025	2024
Delaware County Authority Variable Rate Revenue Bonds, Series A of 2006 Serial Bonds, due July 1, 2026 through July 1, 2030, in amounts ranging from $371,000 to $1,034,000, with an interest rate of 4.05% at December 31, 2025.	$ 4,494,167	$ 4,865,000
Delaware County Authority Variable Rate Revenue Bonds, Series B of 2006 Serial Bonds, due in varying annual installments through July 1, 2036, in amounts ranging from $505,000 to $2,145,000, with an interest rate of 4.17% at December 31, 2025.	6,718,750	8,208,333
Delaware County Authority Variable Rate Revenue Bonds, Series of 2008, due July 1, 2026 through July 1, 2036, in amounts ranging from $104,000 to $1,738,000, with an interest rate of 4.17% at December 31, 2025.	10,895,833	11,000,000
Total long-term debt	22,108,750	24,073,333
Less unamortized debt issuance costs	(207,663)	(245,948)
Total long-term debt, net	$ 21,901,087	$ 23,827,385

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

Years ending December 31:	
2026	$ 1,666,250
2027	1,743,333
2028	1,845,417
2029	1,910,417
2030	1,999,583
Thereafter	12,943,750
Total	$ 22,108,750

7. Derivative Financial Instruments

As of December 31, 2025, WHV has a total of three interest rate swap agreements with the intent of mitigating cash flow risk relating to changes in the variable interest rates of the 2006A, 2006B and 2008 Bonds. During 2025, a fourth swap agreement was terminated. Under the interest rate swap agreements, WHV pays interest at fixed rates and receives interest at variable rates. The swaps settle on a monthly basis. The swap agreements remained in place after the restructuring of the debt.

The following schedule outlines the terms and fair market values of the interest rate swap agreements.

	Swap 1	Swap 2	Swap 3	Swap 4
Notional amount at December 31, 2025	$ 11,000,000	$ 1,745,000	$ 4,865,000	$ 6,925,000
Effective date	June 9, 2008	April 15, 2005	April 15, 2005	April 20, 2006
Termination date	July 1, 2028	July 1, 2025	July 1, 2030	July 1, 2036
Fixed rate	3.65%	3.68%	3.80%	4.12%
Variable rate basis	70% SOFR	70% SOFR	70% SOFR	70% SOFR
Fair value at December 31, 2025	$ (348,400)	$ -	$ (169,473)	$ (565,175)
Fair value at December 31, 2024	(280,120)	(6,273)	(152,568)	(485,816)

8. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	2025	2024
Financial assistance to residents	$ 7,166,053	$ 448,805
Campus improvements	351,055	97,971
Other restricted purposes	244,680	44,401
Total	$ 7,761,788	$ 591,177

9. Retirement Plans

WHV has a qualified Section 403(b)(7) defined contribution retirement plan (the Plan). The Plan covers all eligible employees. WHV provided contributions to the Plan amounting to $320,073 in 2025 and $237,909 in 2024.

10. Functional Expenses

The Community provides residential and health care services to residents. The functional allocation of these expenses related to these services is as follows for the years ended December 31:

	2025			
	Program Services		Supporting Services	
	Skilled Nursing and Personal Care	Independent Living	General and Administrative	Total Expenses
Salaries	$ 7,516,634	$ 4,165,926	$ 2,899,463	$ 14,582,023
Payroll taxes and fringe benefits	2,565,881	1,566,562	882,493	5,014,936
Contract services	758,027	1,851,384	1,130,117	3,739,528
Professional fees	167,827	153,592	666,765	988,184
Advertising and public relations	20,171	40,342	342,905	403,418
Therapy	744,980	-	-	744,980
Pharmacy and medical supplies	505,895	3,396	-	509,291
Food	413,004	1,446,650	205,368	2,065,022
Utilities	281,178	1,405,891	187,452	1,874,521
Interest	192,669	963,346	128,446	1,284,461
Supplies	432,552	1,310,047	194,356	1,936,955
Insurance	273,313	218,651	54,663	546,627
Depreciation	3,875,654	3,100,524	775,131	7,751,309
Real estate taxes	229,775	1,148,878	153,184	1,531,837
Other	76,009	64,568	398,598	539,175
Total	$ 18,053,569	$ 17,439,757	$ 8,018,941	$ 43,512,267

	2024			
	Program Services		Supporting Services	
	Skilled Nursing and Personal Care	Independent Living	General and Administrative	Total Expenses
Salaries	$ 7,270,400	$ 3,844,495	$ 2,563,311	$ 13,678,206
Payroll taxes and fringe benefits	2,253,509	1,098,121	1,336,682	4,688,312
Contract services	634,316	1,584,745	1,000,287	3,219,348
Professional fees	362,451	161,126	696,977	1,220,554
Advertising and public relations	15,864	31,728	269,685	317,277
Therapy	693,843	-	-	693,843
Pharmacy and medical supplies	511,812	8,303	-	520,115
Food	407,652	1,474,480	156,127	2,038,259
Utilities	216,464	1,082,321	144,309	1,443,094
Interest	217,869	1,089,345	145,246	1,452,460
Supplies	435,735	1,395,717	225,577	2,057,029
Insurance	233,387	186,710	46,677	466,774
Depreciation	3,407,341	2,725,872	681,468	6,814,681
Real estate taxes	216,335	1,081,673	144,223	1,442,231
Other	62,565	70,802	337,448	470,815
Total	$ 16,939,543	$ 15,835,438	$ 7,748,017	$ 40,522,998

The consolidated financial statements report certain expense categories that are attributable to more than one resident service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation, interest and other costs, are allocated to a function based on time spent and square footage estimates.

11. Self-Insurance

WHV participates in a self-insured employee health insurance plan. WHV retains responsibility for the payment of medical, indemnity and other costs of claims up to the self-insured loss retention of $85,000 per occurrence and $1,333,310 in the aggregate prior to the application of coverage provided by its excess insurance contract. As of December 31, 2025 and 2024, liabilities of $574,208 and $361,696, respectively, were included in accrued expenses.

12. Contingency, Senior Living Services Industry

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

13. Concentrations of Credit Risk

WHV grants credit without collateral to its residents, some of whom are insured under third-party payor arrangements, primarily with Medicare.

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

White Horse Village Inc. and Controlled Entity

Consolidating Balance Sheet
December 31, 2025

	White Horse Village	White Horse Village Foundation	Eliminations	Consolidated Balance
Assets				
Cash and cash equivalents	$ 12,610,780	$ 753,452	$ -	$ 13,364,232
Accounts receivable, net	1,305,767	-	-	1,305,767
Entrance fees receivable	742,052	-	-	742,052
Prepaid expenses and other assets	2,463,733	-	-	2,463,733
Due from related party	23,462	-	(23,462)	-
Investments	40,612,149	-	-	40,612,149
Statutory liquid reserve requirement	3,630,849	-	-	3,630,849
Assets held by White Horse Village Foundation, Inc.	-	14,329,521	-	14,329,521
Property and equipment, net	99,722,685	-	-	99,722,685
Total assets	$ 161,111,477	$ 15,082,973	$ (23,462)	$ 176,170,988
Liabilities and Net Assets				
Liabilities				
Accounts payable	$ 1,369,252	$ -	$ -	$ 1,369,252
Accrued expenses	3,294,314	-	-	3,294,314
Construction payable	-	-	-	-
Accrued interest payable	82,045	-	-	82,045
Due to related party	-	23,462	(23,462)	-
Long-term debt	21,901,087	-	-	21,901,087
Fair value of interest rate swap agreements	1,083,048	-	-	1,083,048
Refundable deposits from prospective residents	1,071,861	-	-	1,071,861
Refundable entrance fees	28,787,470	-	-	28,787,470
Deferred entrance fee revenue	57,143,487	-	-	57,143,487
Total liabilities	114,732,564	23,462	(23,462)	114,732,564
Net Assets				
Without donor restrictions	46,378,913	7,297,723	-	53,676,636
With donor restrictions	-	7,761,788	-	7,761,788
Total net assets	46,378,913	15,059,511	-	61,438,424
Total liabilities and net assets	$ 161,111,477	$ 15,082,973	$ (23,462)	$ 176,170,988

Consolidating Statement of Operations and Changes in Net Assets
Year Ended December 31, 2025

	White Horse Village	White Horse Village Foundation	Eliminations	Consolidated Balance
Net Assets Without Donor Restrictions				
Revenues, gains and other support:				
Resident care fees	$ 26,023,178	$ -	$ -	$ 26,023,178
Medical care fees	11,004,280	-	-	11,004,280
Amortization of deferred entrance fee revenue	8,347,232	-	-	8,347,232
Services received from affiliate	-		-	-
Investment return	5,196,062	1,474,070	-	6,670,132
Net assets released from donor restrictions used for operations	573,942	-	-	573,942
Other	658,908	-	-	658,908
Total revenues, gains and other support	51,803,602	1,474,070	-	53,277,672
Expenses:				
Health services	10,198,125	-	-	10,198,125
Depreciation	7,751,309	-	-	7,751,309
General and administrative	6,962,180	-	-	6,962,180
Dining services	6,739,275	-	-	6,739,275
Plant and maintenance	6,501,687	-	-	6,501,687
Housekeeping and laundry	1,998,621	-	-	1,998,621
Interest	1,284,461	-	-	1,284,461
Real estate taxes	1,531,837	-	-	1,531,837
Resident support services	544,772	-	-	544,772
Services received from affiliate	-	-	-	-
Total expenses	43,512,267	-	-	43,512,267
Operating income	8,291,335	1,474,070	-	9,765,405
Other Income (Loss)				
Change in fair value of interest rate swap agreements	(158,271)	-	-	(158,271)
Net operating income and change in net assets without donor restrictions	8,133,064	1,474,070	-	9,607,134
Net Assets With Donor Restrictions				
Contributions	-	7,744,553	-	7,744,553
Net assets released from donor restrictions used for:				
Resident assistance	-	(110,953)	-	(110,953)
Scholarships and other expenses	-	(462,989)	-	(462,989)
Change in net assets with donor restrictions	-	7,170,611	-	7,170,611
Change in net assets	8,133,064	8,644,681	-	16,777,745
Net Assets, Beginning	38,245,849	6,414,830		44,660,679
Net Assets, Ending	$ 46,378,913	$ 15,059,511	$ -	$ 61,438,424