



COMMCARE CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

**REPORT**

Independent Auditor's Report	1
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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheets	4
-----------------------------	---

Consolidated Statements of Revenues, Expenses and Changes in Net Assets	5
---	---

Consolidated Statements of Cash Flows	7
---------------------------------------	---

Notes to Consolidated Financial Statements	8
--	---

SUPPLEMENTARY INFORMATION

Schedule of Compensation, Benefits and Other Payments to Agency Head	35
--	----

Consolidating Balance Sheet	36
-----------------------------	----

Consolidating Statement of Revenues, Expense and Changes in Net Assets	37
--	----

REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	38
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REPORT





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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CommCare Corporation
Mandeville, Louisiana

Opinion

We have audited the accompanying consolidated financial statements of CommCare Corporation (the Company), which comprise the consolidated balance sheets as of June 30, 2025 and 2024, and the related consolidated statements of revenues, expenses 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of CommCare Corporation as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company 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 accounting principles generally accepted in the United States of America, 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

Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 auditor's 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 Company'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 Company'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 accompanying Schedule of Compensation, Benefits and Other Payments to Agency Head, Consolidating Balance Sheet, and Consolidating Statement of Revenues, Expenses and Changes in Net Assets as of and for the year ended June 30, 2025, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the matter described below, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The accompanying Consolidating Balance Sheet as of June 30, 2025 does not include right-of-use lease assets and lease liabilities for material related-party leases that fully eliminate upon consolidation. Management has informed us that they have not determined the effects of not including related-party leases in the consolidating information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Mandeville, Louisiana
December 15, 2025



FINANCIAL STATEMENTS



CommCare Corporation Consolidated Balance Sheets

June 30,	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 31,612,172	\$ 26,135,542
Accounts receivable, net	24,141,195	26,198,383
Prepaid expenses and other current assets	3,301,723	3,919,865
Note receivable	-	6,166,400
Total current assets	59,055,090	62,420,190
Non-current assets		
Restricted cash	10,369,180	5,843,533
Notes receivable	11,119,325	11,119,325
Equity method investment	3,672,942	2,949,430
Intangible assets	49,271,137	49,281,354
Goodwill	6,456,944	6,456,944
Fair value of interest rate swaps	469,849	1,805,773
Miscellaneous	123,011	116,123
Operating lease right-of-use assets, net	4,396,446	4,737,351
Finance lease right-of-use assets, net	6,736,743	6,986,306
Property and equipment, net	216,532,317	216,878,435
Total non-current assets	309,147,894	306,174,574
Total Assets	\$ 368,202,984	\$ 368,594,764
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 17,261,495	\$ 20,019,393
Current portion of long-term debt	19,700,773	19,190,329
Current portion of operating leases	1,093,669	1,059,611
Total current liabilities	38,055,937	40,269,333
Long-term liabilities		
Long-term debt, less current portion and net of discounts and unamortized debt issuance costs	187,635,355	196,414,790
Finance Lease liabilities	7,557,045	7,388,707
Operating Lease liabilities, less current portion	3,317,075	3,692,904
Total long-term liabilities	198,509,475	207,496,401
Total liabilities	236,565,412	247,765,734
Net assets without donor restrictions		
CommCare Corporation	125,470,266	115,767,544
Noncontrolling interest in subsidiaries	6,167,306	5,061,486
Total net assets	131,637,572	120,829,030
Total liabilities and net assets	\$ 368,202,984	\$ 368,594,764

The accompanying notes are an integral part of these consolidated financial statements.

CommCare Corporation
Consolidated Statements of Revenues, Expenses,
and Changes in Net Assets

For the years ended June 30,	2025	2024
Revenue without donor restrictions, gains, and other support		
Patient service revenue, net	\$ 216,708,529	\$ 208,956,626
Pharmacy sales	19,425,138	18,095,215
Premium income	-	737,897
Management fee income	828,806	833,494
Lease income	224,268	39,005
Grant revenue	320,815	2,104,826
Other operating revenues	4,052,310	1,705,013
Total revenue without donor restrictions, gains, and other support	241,559,866	232,472,076
Operating Expenses		
Nursing services	91,801,225	90,102,676
General and administrative	44,461,701	45,154,895
Therapy and ancillary services	12,307,791	12,703,543
Cost of pharmacy sales	15,812,291	14,998,733
Dietary and food	13,397,042	13,410,517
Depreciation and amortization	11,033,704	12,308,743
Plant operations and maintenance	11,448,402	10,829,211
Provider fees	7,421,704	7,474,747
Housekeeping and laundry	6,420,481	6,560,447
Activities and social services	3,548,219	3,574,605
Provision for bad debts	794,445	309,847
Lease expense	1,736,606	1,415,832
Advertising and marketing costs	1,430,760	1,836,735
Community services	155,600	85,680
Total operating expenses	221,769,971	220,766,211
Operating income	19,789,895	11,705,865
Non-operating revenues (expenses)		
Gain (loss) on disposal of assets	65,737	14,879,546
Miscellaneous (expense) income	2,337,268	(166,271)
Gain (loss) on equity method investment	723,512	267,485
Debt forgiveness	2,563,600	-
Interest income	786,199	760,092
Interest expense	(12,276,745)	(13,439,726)
Unrealized gain (loss) on swap	(1,335,924)	(1,553,184)
Gain on sale of majority interest in Dignity Care	-	787,255
Total non-operating revenues (expenses)	(7,136,353)	1,535,197
Changes in net assets without donor restrictions	12,653,542	13,241,062
Less change in net assets attributable to noncontrolling interests	(2,950,820)	(767,208)
Change in net assets attributable to CommCare Corporation	9,702,722	12,473,854
	(continued)	(continued)

The accompanying notes are an integral part of these consolidated financial statements.

CommCare Corporation
Consolidated Statements of Revenues, Expenses,
and Changes in Net Assets

For the years ended June 30,	2025	2024
Changes in net assets without donor restrictions	12,653,542	13,241,062
Net assets		
Beginning of year	120,829,030	109,477,968
Distributions to noncontrolling shareholder in subsidiary	(1,845,000)	(1,890,000)
End of year	\$ 131,637,572	\$ 120,829,030
	(concluded)	(concluded)

The accompanying notes are an integral part of these consolidated financial statements.

Commcare Corporation

Consolidated Statements of Cash Flows

For the Years Ended June 30,	2025	2024
Operating Activities		
Change in net assets	\$ 12,653,542	\$ 13,241,062
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Loss (gain) on disposal of assets	(65,737)	(14,879,546)
Gain on debt forgiveness	(2,563,600)	-
Gain on equity method investment	(723,512)	(267,485)
Depreciation and amortization	11,120,823	12,929,681
Accretion of interest on discount on fair value of assumed debt	394,876	391,409
Accretion of interest on finance leases	168,338	279,294
Amortization of right-of-use assets	1,180,401	687,432
Provision for bad debts	794,445	309,847
Gain on sale of majority interest in Dignity Care	-	(787,255)
Change in fair value of interest rate swap	1,335,924	1,553,184
Changes in assets and liabilities:		
Receivables	1,262,743	(6,374,001)
Prepaid expenses and miscellaneous	611,254	112,319
Other assets	-	499,999
Accounts payable and accrued expenses	(3,950,438)	4,119,816
Operating lease liabilities	(1,181,267)	(681,996)
Net cash provided by operating activities	21,037,792	11,133,760
Investing Activities		
Purchases of property and equipment	(8,846,395)	(9,569,854)
Cash paid for equity method investment	-	(769,448)
Sale of majority interest in Dignity Care, net of cash surrendered	-	(2,742,744)
Proceeds from disposal of assets	82,126	27,158,620
Net cash used in investing activities	(8,764,269)	14,076,574
Financing Activities		
Payments on notes payable	(56,415,752)	(23,500,294)
Issuance of notes payable	57,007,243	8,955,627
Debt issuance costs	(1,017,737)	-
Distributions to non controlling shareholder in subsidiary	(1,845,000)	(1,890,000)
Net cash provided by (used in) financing activities	(2,271,246)	(16,434,667)
Net change in cash, cash equivalents, and restricted cash	10,002,277	8,775,667
Net cash, cash equivalents, and restricted cash at beginning of year	31,979,075	23,203,408
Net cash, cash equivalents, and restricted cash at end of year	\$ 41,981,352	\$ 31,979,075
SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR INTEREST		
Cash payments for interest	\$ 11,389,490	\$ 12,704,279
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Capital expenditures in accounts payable	\$ 1,253,970	\$ 61,430
Rollover equity on sale of Dignity Care	\$ -	\$ 1,912,500
Lease liabilities arising from obtaining right-of-use assets	\$ 839,496	\$ 7,109,413
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Cash and cash equivalents	\$ 31,612,172	\$ 26,135,542
Restricted cash	10,369,180	5,843,533
Total cash, cash equivalents, and restricted cash	\$ 41,981,352	\$ 31,979,075

The accompanying notes are an integral part of these consolidated financial statements.

CommCare Corporation

Notes to Consolidated Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Organization and Business Description

CommCare Corporation (the Company) is a non-profit entity that owns and operates skilled nursing, assisted living and independent living facilities. The facilities include 2,279 extended-care beds that are licensed and permitted for current operation by the Louisiana Department of Health and Hospitals and other state or Federal regulatory agencies having jurisdiction over the operations of the facilities. The Company also manages 142 licensed beds for third parties. CommCare Corporation also owns a 55% share of a pharmacy, 55% share of a hospice company, 100% of fourteen asset holding companies, 100% of a management company, and 45% of an insurance provider that are all located in Louisiana, with the exception of the hospice that also has operations in Mississippi.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of CommCare Corporation and its wholly owned subsidiaries (collectively the "Company"), CommCare Management Corporation, CommCare Louisiana (a non-profit corporation) and its majority owned subsidiaries CCC Pharmacy, LLC and Post Acute Holdings, LLC. The Company also wholly owns the following non-profit real estate holding companies whose primary purpose is to own and lease skilled nursing facilities to the Company: CommCare Avoyelles, Commcare Tangipahoa, Commcare Natchitoches, CommCare Catahoula, CommCare EBR, CommCare Center Point, CommCare Ouachita, CommCare Slidell, CommCare St. Tammany, CommCare Baton Rouge, CommCare Rapides, CommCare Bossier, Chateau De Notre Dame Facilities Corporation, and Our Lady of Wisdom Facility Corporation. Significant intercompany transactions and balances have been eliminated through consolidation.

Equity Method Investment

During the year ended June 30, 2024 the Company sold a 55% majority stake in Dignity Care Corporation, a health insurance company. The Company has a 45% ownership interest in the operations of the insurance provider. See note 5 for details.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

CommCare Corporation
Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term include an allowance for credit losses and claims incurred but not reported.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity date of 90 days or less. Restricted cash is required by the loan agreements in relation to the construction of facilities, by regulatory requirements, and requirements in relation to a letter of credit from a financial institution. Cash was restricted for the following at June 30, 2025 and 2024:

Restricted at June 30,	2025	2024
Debt payments	\$ 10,369,180	\$ 5,843,533
Total	\$ 10,369,180	\$ 5,843,533

Property and Equipment

Property and equipment are recorded at cost. Renewals and improvements that extend the economic life of such assets are capitalized. Expenditures for maintenance, repairs and other renewals are expensed. Upon disposition of a capital asset, the asset's cost and accumulated depreciation are removed from the balance sheet and any gain or loss is included in the statements of revenues, expenses and changes in net assets. Depreciation is recorded over the estimated useful life of an asset using the straight-line method.

The Company records impairment losses on long-lived assets when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. No impairment loss was recorded by the Company for the years ended June 30, 2025 and 2024, respectively.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

The useful life of property and equipment was as follows at June 30:

	Depreciable Life
Land	Not depreciated
Land improvements	5-15 years
Buildings and improvements	10-50 years
Furniture, fixtures and equipment	3-5 years
Construction in progress	Not depreciated

Leases

The Company leases office space, land, and equipment. The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the consolidated balance sheets. Finance leases are included in finance lease right of use asset and finance lease liabilities on the consolidated balance sheets.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Company uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Goodwill

In accordance with authoritative guidance on intangible assets, goodwill is tested for impairment annually as of June 30 or on an interim basis if events or circumstances indicate that the fair value of the asset has decreased below its carrying value. The Company performed a qualitative assessment of events and circumstances to determine whether it was more likely than not that the fair value of the reporting unit that contained the goodwill was less than its carrying amount. Based on this assessment it was determined that it was not more likely than not that the fair value of the reporting unit was less than its carrying amount. As a result of this assessment, no impairment loss was recognized during the years ended June 30, 2025 and 2024.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible Assets

Intangible assets consist primarily of Certificates of Need (CON) acquired through the purchase of existing nursing homes or through direct purchase of existing licenses. Louisiana statutes require that nursing home operators obtain a CON prior to the addition or construction of new nursing home beds, the addition of new services or certain capital expenditures in excess of defined levels. A CON certifies that the state has made a determination that a need exists for such new or additional beds, new services or capital expenditures. The CONs have an indefinite useful life. Management evaluates the net carrying value of all intangible assets for impairment when circumstances indicate that the assets might be impaired, but not less than annually. As a result of this assessment, no impairment loss was recognized during the years ended June 30, 2025 and 2024.

In addition to the CONs, intangible assets also include costs related to obtaining new market tax credits utilized in the financing of an existing facility. Total unamortized tax credit costs were \$8,514 and \$18,731 as of June 30, 2025 and 2024, respectively. Total amortization expense related to new market tax credits were \$10,217 and \$10,216 for the years ended June 30, 2025 and 2024, respectively.

Deferred Financing Costs, Net

Deferred financing costs are amortized over the term of the debt instrument using the straight-line method. Accounting principles generally accepted in the United States of America require that the effective interest method be used to amortize financing costs; however, management believes the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective interest method.

Interest expense related to deferred financing costs was \$510,379 and \$528,608 for the years ended June 30, 2025 and 2024, respectively.

Interest Rate Swaps

The Company has five interest rate swap agreements to convert the variable interest on certain loans to fixed rates. Based on changes in interest rates subsequent to entering into the agreement, the fair value of the swaps were \$469,849 and \$1,805,773 at June 30, 2025 and 2024, respectively. The fair value of the swaps is considered to be a Level 2 fair value measurement. The change in the asset or liability is reported as a component of non-operating revenues (expenses) on the consolidated statements of revenues, expenses, and changes in net assets.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Employees accumulate paid time off (PTO) at varying rates according to years of service. Employees become vested in PTO upon completion of ninety days of employment. Upon termination, all unused PTO hours are paid to the employee at the employee's current rate of pay provided that the employee has successfully completed ninety days of employment. Accrued PTO cannot exceed the maximum amount of PTO that can be earned in one year's time. Accrued PTO was \$1,381,197 and \$1,354,222 as of June 30, 2025 and 2024, respectively. Accrued PTO is included in accounts payable and accrued expenses on the consolidated balance sheets.

Net Assets

The Company reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Company, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. At June 30, 2025 and 2024 there were no net assets with donor restrictions.

Noncontrolling Interest in Subsidiaries

The Company has ownership interests in subsidiaries that are less than 100% but are controlled by the Company and therefore consolidated. During the years ended June 30, 2025 and 2024, CCC Pharmacy, LLC distributed \$1,845,000 and \$1,890,000 to its noncontrolling shareholders.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

Accounting Standards Codification (ASC) 820-10 establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1—Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2—Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial statements.
- Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company's financial instruments consist of cash, accounts receivable, accounts payable, and interest rate swaps. The recorded values of cash, accounts receivable, and accounts payable, approximate fair value based on their short-term nature.

The recorded values of interest rate swaps are measured on a recurring basis primarily utilizing Level 2 inputs including forecasted interest rates and quoted prices for similar instruments in active markets.

Patient Accounts Receivable, Patient Service Revenue, and Concentration of Credit Risk

Patient service revenue and receivables are reported at the amount that reflects the consideration the Company expects to be entitled for providing patient care. These amounts are due from patients, third-party payors (including managed care payors and government programs), and others, and include variable consideration for retroactive revenue adjustments due to settlement of reviews and audits. Generally, the Company bills the patients and third-party payors after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Company. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges. The Company believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Company measures the performance obligation from admission into the facility to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. These services are considered to be a single performance obligation.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Patient Accounts Receivable, Patient Service Revenue, and Concentration of Credit Risk
(Continued)***

Revenue for performance obligations satisfied at a point in time is recognized when services are provided. Management believes this method provides a faithful depiction of the transfer of services over the term of performance obligations based on the inputs needed to satisfy the obligations.

Because its performance obligations relate to contracts with a duration of less than one year, the Company has elected to apply the optional exemption provided in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606-10-60-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

As provided for under the guidance, the Company does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less.

The Company is utilizing the portfolio approach practical expedient in ASC 606 for contracts related to patient service revenue. The Company accounts for the contracts within each portfolio as a collective group, rather than individual contracts, based on the payment pattern expected in each portfolio category and the similar nature and characteristics of the patients within each portfolio. The portfolios consist of major payor classes for services performed. Based on historical collection trends and other analyses, the Company has concluded that revenue for a given portfolio would not be materially different from accounting for revenue on a contract-by-contract basis.

Patient service revenue is reported at the estimated net realizable amounts from patients, third party payors and others for services rendered.

The Company participates in the Medicare and Medicaid programs as a provider of medical services to program beneficiaries. The Company is reimbursed for cost reimbursable items based on each facilities daily rate and/or level of care required with final settlement determined after submissions of annual cost reports by the Company and audits thereof by the Medicare/Medicaid fiscal intermediaries. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near future.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Patient Service Revenue and Concentration of Credit Risk (Continued)

The Company determines the transaction price based on standard charges for services provided, reduced by explicit price concessions provided to third-party payors, discounts provided to uninsured patients in accordance with policy, and implicit price concessions provided to uninsured patients.

Explicit price concessions are based on contractual agreements and historical experience. Implicit price concessions represent differences between amounts billed and the estimated consideration the Company expects to receive from patients, which are determined based on historical collection experience, current market conditions, and other factors.

Generally, patients who are covered by third-party payors are responsible for patient responsibility balances, including deductible and coinsurance, which vary in amount. The Company estimates the transaction price for patients with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any explicit price concessions, discounts, and implicit price concessions.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Adjustments arising from a change in the transaction price were not significant in 2025 or 2024.

Provisions for third-party payor settlements and adjustments are estimated in the period the related services are provided and adjusted in future periods as additional information becomes available and final settlements are determined.

The Company believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potentially significant wrongdoing.

Additionally, the Company has been subjected to increased routine audits and recoupments of billed claims in recent years, as well as prepayment audits for certain goods and services. Compliance with such laws and regulations is subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. Although the Company believes that there are no significant unrecorded exposures as of fiscal year-end, there can be no guarantees that future audits and regulatory investigations will not occur and resulting findings, if any, may be material to the consolidated financial statements.

Under the Company's assisted living, independent living, and memory care agreements, which are generally for a contracted term of 30 days, or the Company and resident have the unilateral right to terminate the agreements given 30 days' notice.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Patient Service Revenue and Concentration of Credit Risk (Continued)

The Company has elected the practical expedient with ASC 842 Leases (Topic 842) and recognizes, measures, presents, and discloses the revenue for services under the Company's assisted living, independent living, and memory care residency agreements based up the predominant component of the contracts. The Company has determined that the services under these agreements have the same timing and pattern of transfer and are performance obligations that are satisfied over time. The Company recognizes revenue under ASC 606, *Revenue Recognition from Contracts with Customers*, for its independent living, assisted living, and memory care agreements for which it has estimated that the non-lease components of such agreements are the predominant component of the contracts. The revenues from these agreements are included in patient service revenue on the consolidated statements of revenues, expenses, and change in net assets.

Patient Accounts Receivables and Credit Policy

Patient accounts receivable are reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing patient care services. Patient accounts receivable are recorded in the accompanying consolidated balance sheets net of contractual adjustments and explicit and implicit price concessions, which reflect management's estimate of the transaction price. The Company estimates the transaction price based on negotiated contractual agreements, historical experience, and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts (including explicit price concessions), and implicit price concessions, and is recorded through a reduction of gross revenue and a credit to patient accounts receivable. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

The Company does not have a policy to charge interest on past due accounts.

Allowance for Contractual Adjustments

Contractual allowance estimates are periodically reviewed for accuracy by taking into consideration known contract terms, as well as payment history. The Company believes its estimation and review process enables it to identify instances on a timely basis where such estimates need to be revised. The Company does not believe there were any adjustments to estimates of patient bills that were material to its revenues during the years ended June 30, 2025 or 2024.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Credit Losses

The Company considers the patient's ability and intent to pay the amount of consideration for uninsured or co-pay amounts upon admission. Credit losses related to uninsured or co-pay amounts, after any implicit price concessions, are recorded as bad debt expense as a component of operating expenses in the consolidated statements of revenue, expenses, and changes in net assets. As of June 30, 2025 and 2024, the Company recorded an allowance for credit losses of \$1,104,292 and \$309,847, respectively.

Grant Revenue

All of the Company's grant revenues are from disaster grants for presidentially declared disasters related to COVID-19, hurricanes, and winter storms. The benefits received by the Company as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grant revenue is analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met.

Other Revenue Recognition

Management fees earned by the management company are recorded when performance obligations are met.

Revenues from pharmacy sales are recorded at the time performance obligations are met.

Lease income is recorded when earned per the terms of the lease agreement.

Other operating revenue primarily consists of monthly payments under capitation agreement of \$2,847,104 and \$1,311,532 for the year ended June 30, 2025 and 2024.

Advertising Costs

Advertising costs are expensed as incurred. During the years ended June 30, 2025 and 2024, advertising costs totaled \$213,020 and \$324,360, respectively.

Income Taxes

CommCare Management Corporation is a C-corporation for income tax purposes and income tax expense is calculated based on the liability method. During the year ended June 30, 2025 there were no differences between the book basis and the tax basis of CommCare Management Corporation's assets and liabilities, and therefore there were no deferred tax assets or liabilities recorded at June 30, 2025. Income tax expense of \$0 and \$60,383 was recorded in miscellaneous (expense) income on the consolidated statements of revenues, expenses and changes in net assets during the year ended June 30, 2025 and 2024, respectively.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

No provision for income taxes has been made in the accompanying consolidated financial statements other than for CommCare Management Corporation. The Internal Revenue Service has determined that CommCare Corporation and its nonprofit subsidiaries qualify as 503(c)(3) organizations and are exempt from income taxes. The Company's for profit subsidiaries, other than CommCare Management Corporation, have elected to be taxed as partnerships and all income flows through to the individual members.

Generally accepted accounting principles require an organization to account for uncertainties in income taxes. The interpretation requires recognition and measurement of uncertain income tax positions using a "more-likely-than-not" approach.

The Company has reviewed its tax positions and determined there were no outstanding or retroactive tax positions with less than a 50% likelihood of being sustained upon examination of taxing authorities.

Interest

The Company capitalizes interest costs on qualifying construction in progress based on an imputed interest rate estimating the average cost of borrowed funds. Such capitalized interest becomes part of the cost of the related asset and is depreciated over its estimated life.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 15, 2025. See Note 8 and 17 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Organizations now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques previously applied are still permitted, although the inputs to those techniques changed to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Company applied this guidance beginning July 1, 2023. No adjustment to prior year amounts were needed. Additional changes and disclosures are included throughout these notes, to conform to the new guidance.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 3: FINANCIAL ASSET AVAILABILITY

The Company maintains its financial assets in cash and cash equivalents and accounts receivable to provide liquidity to ensure funds are available as the Company's expenditures come due. The following reflects the Company's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions.

<i>June 30,</i>	2025	2024
Financial assets, at year-end	\$ 56,454,492	\$ 52,333,925
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions	-	-
Board designations	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 56,454,492	\$ 52,333,925

Financial assets at year-end as noted in the above schedule exclude non-current assets, prepaid expenses, other current assets, note receivable, and restricted cash.

Note 4: NOTES RECEIVABLE

On July 1, 2017, the Company entered into a new markets tax credit (NMTC) transaction to partially finance the construction of a new skilled nursing facility in Ponchatoula, Louisiana. As part of the NMTC financing, the Company had a note receivable from a financial institution of \$6,166,400 at June 30, 2024. Interest accrued at a fixed rate of 4.95% and was payable quarterly. The final payment of all outstanding principal was due on the maturity date of the note, July 7, 2024. In conjunction with the end of the 7 year NMTC compliance period, the note receivable and a related note payable (see Note 8) were retired. Additionally a note payable of \$2,563,600 was forgiven and is recorded as debt forgiveness on the consolidated statements of revenues, expenses, and changes in net assets for the year ended June 30, 2025.

On May 26, 2021, the Company entered into a new markets tax credit (NMTC) transaction to partially finance the construction of a new skilled nursing facility in Natchitoches, Louisiana. As part of the NMTC financing, the Company had a note receivable from a financial institution of \$6,597,900 at June 30, 2025 and 2024, respectively. Interest accrues at a fixed rate per annum of 1.00% and is payable quarterly. The final payment of all outstanding principal will be due on the maturity date of the note, May 25, 2051.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 4: NOTES RECEIVABLE (CONTINUED)

On May 26, 2021, the Company entered into a new markets tax credit (NMTC) transaction to partially finance the construction of a new skilled nursing facility in Natchitoches, Louisiana. As part of the NMTC financing, the Company had a note receivable from Twain Investment Fund 489 of \$3,492,900 at June 30, 2025 and 2024, respectively.

Interest accrues at a fixed rate per annum of 1.00% and is payable quarterly. The final payment of all outstanding principal will be due on the maturity date of the note, May 25, 2051.

On May 26, 2021, the Company entered into a new markets tax credit (NMTC) transaction to partially finance the construction of a new skilled nursing facility in Natchitoches, Louisiana. As part of the NMTC financing, the Company had a note receivable from Twain Investment Fund 546 of \$1,028,525 at June 30, 2025 and 2024, respectively. Interest accrues at a fixed rate per annum of 1.21% and is payable quarterly. The final payment of all outstanding principal will be due on the maturity date of the note, May 25, 2051.

Payments to be received on the notes receivable balances in the subsequent fiscal years are as follows:

June 30,		
2025	\$	-
2026		-
2027		-
2028		-
2029		-
Thereafter		11,119,325
Total	\$	11,119,325

Note 5: EQUITY METHOD INVESTMENT

Effective August 1, 2023, the Company sold a 55% majority interest in Dignity Care for \$2,337,500 and retained a 45% minority interest valued at \$1,912,500. The Company recognized a gain on the sale of \$787,255 for the year ended June 30, 2024. As part of the sale the Company was required to contribute \$1,125,000 into the new ownership structure and received \$355,552 in dividends for the year ended June 30, 2024. The Company's pro rata share of net income was \$723,512 and \$267,485 for the year ended June 30, 2025 and 2024, respectively. The following information summarizes the activity of the investment as of and for the years ended June 30, 2025 and 2024:

CommCare Corporation
Notes to Consolidated Financial Statements

Note 5: EQUITY METHOD INVESTMENT (CONTINUED)

June 30,	2025	2024
Total assets	\$ 12,439,496	\$ 9,710,359
Total liabilities	(4,277,402)	(3,156,069)
Net assets	8,162,094	6,554,289
CommCare's pro rata share of net assets	3,672,942	2,949,430
Total net income	1,607,804	594,411
CommCare's pro rata share of net income	\$ 723,512	\$ 267,485

Note 6: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2025	2024
Land	\$ 19,368,315	\$ 18,708,665
Land improvements	2,878,404	3,495,448
Buildings and improvements	217,662,476	215,629,430
Furniture, fixtures and equipment	34,383,607	33,881,088
Construction in progress	9,883,330	3,295,824
Total property and equipment	283,176,132	275,010,455
Less accumulated depreciation	(67,643,815)	(58,132,020)
	\$ 216,532,317	\$ 216,878,435

Depreciation expense was \$10,368,684 and \$12,267,750 for the years ended June 30, 2025 and 2024, respectively. Substantially all land, buildings, improvements, and equipment are pledged to secure debt (see Note 8). Construction in progress at June 30, 2025 primarily consisted of renovations on a facility that commenced in April 2025. Construction in progress at June 30, 2024 primarily consisted of renovations that were completed in May 2025.

Note 7: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30:

	2025	2024
Accounts payable	\$ 5,834,576	\$ 6,964,955
Accrued salaries, wages, benefits, and payroll taxes	8,155,683	10,456,283
Accrued professional liability	769,844	1,643,676
Other accrued expenses	2,501,392	954,479
	\$ 17,261,495	\$ 20,019,393

CommCare Corporation
Notes to Consolidated Financial Statements

Note 8: LONG-TERM DEBT

Long-term debt consisted of the following as of June 30:	2025	2024
Note payable with a financial institution, interest rate was based on the one month LIBOR rate plus 2.45%. The interest rate was 7.91% at June 30, 2024. On July 19, 2024, the loan was amended to increase the principal amount to \$12,521,915 with a fixed interest rate of 7.55%. Interest is payable monthly starting August 1, 2017 and principal payments is paid monthly and commenced on March 1, 2020. The note matures on July 19, 2026, at which time a balloon payment of unpaid principal and interest is due. This note is secured by the restricted cash assets and by all other property obtained as a result of the proceeds	\$ 12,122,707	\$ 7,423,848
Note payable with a financial institution, interest rate was based on the one month LIBOR rate plus 2.45%. The interest rate was 7.91% at June 30, 2024. Interest was payable monthly starting August 10, 2017 and principal payments are monthly commencing on March 10, 2020. Note matured on July 7, 2024, at which time a balloon payment of unpaid principle and interest was due. This note was secured by all property obtained as a result of the proceeds received. The loan was paid off during the	-	5,130,246
Loan agreement with a financial institution. The interest rate for this loan was a fixed rate of 3.55%. Interest was payable monthly which began August 1, 2017 and the principal balance was due in full at maturity of the loan. The loan matured on July 7, 2024. This note was secured by the restricted cash assets and by all other property obtained as a result of the proceeds received. The loan was retired during the year ended June 30, 2025 (see Note 4).	-	\$ 6,166,400
Loan agreement with a financial institution. The interest rate for this loan was a fixed rate of 3.55%.. Interest was payable monthly starting August 1, 2017 and principal payments were monthly commencing on September 1, 2024. The loan matured on July 7, 2047. This note was secured by the restricted cash assets and by all other property obtained as a result of the proceeds received. The loan was forgiven during the year ended June 30, 2025 (See Note 4).	-	2,563,600

CommCare Corporation
Notes to Consolidated Financial Statements

Note 8: LONG-TERM DEBT (CONTINUED)	2025	2024
<p>Loan agreement with a financial institution. Interest rate is a fixed rate of 1.00%. Interest only payments are due quarterly starting March 10, 2022. Commencing on June 10, 2028 principal and interest payments are due monthly until the loan matures. The loan matures on May 25, 2051. The note is collateralized by all property pledged, mortgaged or assigned on a skilled nursing facility owned by the Company.</p>	\$ 1,028,525	\$ 1,028,525
<p>Loan agreement with a financial institution. Interest rate is a fixed rate of 1.00%. Interest only payments are due quarterly starting March 10, 2022. Commencing on June 10, 2028 principal and interest payments are due monthly until the loan matures. The loan matures on May 25, 2051. The note is collateralized by all property pledged, mortgaged or assigned on a skilled nursing facility owned by the Company.</p>	5,000,000	5,000,000
<p>Loan agreement with a financial institution. Interest rate is a fixed rate of 1.00%. Interest only payments are due quarterly starting March 10, 2022. Commencing on June 10, 2028 principal and interest payments are due monthly until the loan matures. The loan matures on May 25, 2051. The note is collateralized by all property pledged, mortgaged or assigned on a skilled nursing facility owned by the Company.</p>	1,471,475	1,471,475
<p>Loan agreement with a financial institution. Interest rate is calculated at SOFR rate plus 3.80% or the LIBOR Successor Rate, as applicable. The interest rate was 8.25% and 9.19% at June 30, 2025 and 2024, respectively. Interest only payments are due monthly. Commencing on June 15, 2023 principal and interest payments are due monthly until the loan matures. The loan matures on May 25, 2026. The note is collateralized by all property pledged, mortgaged or assigned on a skilled nursing facility owned by the Company.</p>	6,194,293	6,395,789

CommCare Corporation
Notes to Consolidated Financial Statements

Note 8: LONG-TERM DEBT (CONTINUED)	2025	2024
<p>Loan agreement with a financial institution. Interest rate is a fixed rate of 1.68%. Interest only payments are due quarterly starting March 5, 2022. Commencing on June 5, 2028 principal and interest payments are due monthly until the loan matures. The loan matures on May 25, 2051. The note is collateralized by all property pledged, mortgaged or assigned on a skilled nursing facility owned by the Company.</p>	\$ 2,222,100	\$ 2,222,100
<p>Loan agreement with a financial institution. Interest rate is a fixed rate of 1.68%. Interest only payments are due quarterly starting March 5, 2022. Commencing on June 5, 2028 principal and interest payments are due monthly until the loan matures. The loan matures on May 25, 2051. The note is collateralized by all property pledged, mortgaged or assigned on a skilled nursing facility owned by the Company.</p>	6,597,900	\$6,597,900
<p>Loan agreement with a financial institution. Interest rate is a floating interest rate calculated using the SOFR Rate plus 3.25% with a floor of 4.25%. The interest rate was 7.70% and 8.58% at June 30, 2025 and 2024, respectively. Interest only payments are payable starting September 10, 2022 with a balloon payment of principal and outstanding interest due at maturity, March 10, 2026. The note is collateralized by a first mortgage of certain skilled nursing facilities owned by the Company. Subsequent to June 30, 2025, the note was refinanced into a HUD backed mortgage.</p>	6,636,151	26,938,301
<p>Non-revolving line of credit with a financial institution up to \$22,375,552. Interest rate is calculated using the one month SOFR plus 2.60%. The interest rate was 7.05% and 8.06% at June 30, 2025 and 2024, respectively. Interest only payments were payable starting July 15, 2021 with a balloon payment of principal and outstanding interest due at maturity, July 15, 2026. The note is collateralized by a first priority lien of certain skilled nursing facilities owned by the Company.</p>	21,087,377	21,649,980

CommCare Corporation
Notes to Consolidated Financial Statements

Note 8: LONG-TERM DEBT (CONTINUED)	2025	2024
<p>Loan agreement with a financial institution. Interest rate is calculated using the Benchmark Rate in U.S. Dollars provided by American Financial Exchange on the first day of each month rounded to the nearest one-eighth of one percent, plus 2.20% with a floor of 2.20%. The interest rate was 6.65% and 7.45% at June 30, 2025 and 2024, respectively. Interest and principal payments were payable starting June 19, 2022 with a balloon payment of principal and outstanding interest due at maturity, May 19, 2027. The note is collateralized by a first priority lien of certain skilled nursing facilities owned by the Company. During the year ended June 30, 2025, the note was refinanced into HUD backed mortgages.</p>	\$ 13,986,080	\$ 37,458,667
<p>A loan with a financial institution, interest rate is calculated using the one month SOFR Rate plus 2.70%. The interest rate was 7.15% and 8.16% at June 30, 2025 and 2024, respectively. Interest only payments were payable starting June 1, 2021 with principal and interest payments commencing on June 5, 2023. The note matures May 25, 2028. The Company can make draws on this loan up to \$6,496,200.</p>	6,061,234	6,275,747
<p>A loan with a financial institution, interest rate is a fixed rate at 3.50%. Principal and Interest payments are payable starting July 1, 2023. The note matures July 1, 2052. The note is collateralized by a first priority lien of certain skilled nursing facilities owned by the Company and is insured by HUD under section 232 of the National Housing Act.</p>	27,765,403	28,373,081
<p>A loan with a financial institution, interest rate is a fixed rate at 2.69%. Principal and Interest payments are payable starting July 1, 2023. The note matures March 1, 2057. The note is collateralized by a first priority lien of certain skilled nursing facilities owned by the Company and is insured by HUD under section 232 of the National Housing Act.</p>	10,244,023	10,445,656

CommCare Corporation
Notes to Consolidated Financial Statements

Note 8: LONG-TERM DEBT (CONTINUED)	2025	2024
A loan with a financial institution, interest rate is a fixed rate at 5.97%. Principal and Interest payments are payable starting August 1, 2024. The note matures August 31, 2059. The note is collateralized by a first priority lien of certain skilled nursing facilities owned by the Company and is insured by HUD under section 232 of the National Housing Act.	\$ 11,579,769	\$ -
A loan with a financial institution, interest rate is a fixed rate at 5.62%. Principal and Interest payments are payable starting September 1, 2024. The note matures September 30, 2059. The note is collateralized by a first priority lien of certain skilled nursing facilities owned by the Company and is insured by HUD under section 232 of the National Housing Act.	11,576,562	-
A loan with a financial institution, interest rate is a fixed rate at 5.95%. Principal and Interest payments are payable starting August 1, 2024. The note matures August 31, 2059. The note is collateralized by a first priority lien of certain skilled nursing facilities owned by the Company and is insured by HUD under section 232 of the National Housing Act.	16,607,038	-
A loan with a financial institution, interest rate is a fixed rate at 5.47%. Principal and Interest payments are payable starting September 1, 2024. The note matures September 30, 2059. The note is collateralized by a first priority lien of certain skilled nursing facilities owned by the Company and is insured by HUD under section 232 of the National Housing Act.	10,034,738	-
LPFA Revenue Bonds Series 2014. The bond matures on September 4, 2026 with principal payments due annually and interest payments due quarterly. Interest is a fixed rate at 3.75%. The bonds are collateralized by a first mortgage of an assisted and independent living facility owned by the Company which the bonds were used to finance.	30,863,784	32,185,641

CommCare Corporation
Notes to Consolidated Financial Statements

Note 8: LONG-TERM DEBT (CONTINUED)	2025	2024
A loan with a financial institution, interest rate is calculated using the CME Term SOFR 1MO plus 2.55%. The interest rate was 7.00% and 7.88% at June 30, 2025 and 2024, respectively. Principal and Interest payments are payable starting July 13, 2023. The note matures September 4, 2026. The note is collateralized by a continuing lien and security interest in and a right of set-off and compensation against all property of the	\$ 14,653,777	\$ 17,872,896
Note payable with a financial institution, with an interest rate calculated using the CME Term SOFR 1MO plus 2.47%. The interest rate was 6.92% at June 30, 2025. Interest only payments are payable May 1, 2025. The Company can make draws on the loan up to \$21,792,057 during the twenty-four-month period commencing on April 3, 2025 and ending April 3, 2027. On April 3, 2028 the loan will be converted to a term loan with a maturity date of April 3, 2032. This note is secured by real estate and moveable property.	1,742,597	-
A note payable with an interest rate of 8.45%. Interest and principal payments are payable starting July 19, 2023. The note matures on July 19, 2027. The note is collateralized by security interest in vehicles.	828,376	1,242,566
Seller note payable with an interest rate of 3.5%. Interest only payments until June 2025, the principal and interest payments are based on a 15 year amortization. The note matures on June 13, 2028.	550,000	550,000
Total debt obligations	\$ 218,853,909	\$ 226,992,418
Less unamortized deferred financing costs, net	(2,600,765)	(2,075,407)
Less unamortized discount on fair value of assumed debt	(8,917,016)	(9,311,892)
Less current portion of debt	(19,700,773)	(19,190,329)
Long-term debt	\$ 187,635,355	\$ 196,414,790

CommCare Corporation
Notes to Consolidated Financial Statements

Note 8: LONG-TERM DEBT (CONTINUED)

Maturities of principal in the subsequent fiscal years are as follows:

2026	\$ 19,700,773
2027	91,913,502
2028	7,255,759
2029	2,159,070
2030	2,234,482
Thereafter	95,590,323
Total	\$ 218,853,909

Refinanced Debt

Subsequent to June 30, 2025, the Company executed a refinance in the amount of \$30,080,500 into HUD backed mortgages secured by real estate. Interest and principal payments on the loans will commence in October and November 2025. The HUD backed mortgages will bear interest rate of 5.91% and mature on October 2060.

Substantially all of the loan agreements contain financial covenants pertaining to debt service coverage, net worth and liquidity. The Company was in compliance with the covenants at June 30, 2025 and June 30, 2024, respectively.

Substantially all of the loan agreements also have reporting requirements that the Company is in compliance with or if not in compliance has the right and the ability to cure any reporting violations.

The unamortized discount on fair value of assumed debt represents the difference between the outstanding principal amount of debt assumed in a business combination and the fair value of the debt based on market interest rates for similar debt instruments at the time of the acquisition. The difference between the outstanding principal and the fair value is amortized over the life of the loan based on the difference between the market interest rate at the time of acquisition and the stated interest rate of the loan assumed.

The Company entered into interest rate swap contracts that effectively convert the interest rate on certain notes payable to fixed rates. The swap agreements commence on dates ranging from July 2, 2020 to July 15, 2023 and end on dates ranging from July 7, 2024 to May 25, 2028. The total notional value of the swap agreements as of June 30, 2025 and 2024 was \$33,536,675 and \$47,072,937, respectively. The notional amount under the swap agreements will decrease as principal payments are made on the notes payable so that the notional amount on the swaps equals the principal outstanding on the notes payable.

The carrying amount of the swaps have been adjusted to the fair values at June 30, 2025 and 2024, which because of changes in forecasted levels of SOFR resulted in reporting an asset of \$469,849 and an asset of \$1,805,773 at June 30, 2025 and 2024, respectively. The change in the asset or liability is reported as a component of non-operating revenues (expenses) on the consolidated statements of revenues, expenses, and changes in net assets.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 9: NET PATIENT SERVICE REVENUE

The Company disaggregates revenue from contracts with customers by type and by payor.

Revenue by Service Type

The Company's net patient service revenue can generally be classified into the two categories: (1) inpatient services, which include operation of skilled nursing facilities, assisted and independent living facilities, and memory care, and (2) homecare and hospice services.

The composition of net patient service revenue based on the Company's lines of business and timing of revenue recognition for the years ended June 30, are as follows:

June 30,	2025	2024
Skilled nursing services	\$ 196,456,717	\$ 188,503,760
Independent and assisted living services	11,826,542	11,293,251
Homecare and hospice service	8,425,270	9,159,615
Total net patient service revenues	\$ 216,708,529	\$ 208,956,626

Revenue by Payor

Certain groups of patients receive funds to pay the cost of their care from a common source. The percentage mix of net revenues from the delivery of patient services by payors were as follows:

For the year ended June 30,	2025	2024
Medicaid	57%	55%
Medicare	24%	26%
Other, including VA, Hospice and Private Payment	19%	19%
	100%	100%

The percentage mix of net receivables outstanding from the delivery of patient services by payors were as follows:

June 30,	2025	2024
Medicaid	62%	61%
Medicare	16%	19%
Other, including VA, Hospice and Private Payment	22%	20%
	100%	100%

Medicare covers skilled nursing services for beneficiaries who require nursing care and/or rehabilitation services following a hospitalization of at least three consecutive days. For each eligible day a Medicare beneficiary is in a skilled nursing facility, Medicare pays the facility a daily payment, subject to adjustment for certain factors such as a wage index in the geographic area.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 9: NET PATIENT SERVICE REVENUE (CONTINUED)

Revenue by Payor (Continued)

The payment covers all services provided by the skilled nursing facility for the beneficiary that day, including room and board, nursing, therapy and drugs, as well as an estimate of capital-related costs to deliver those services.

For homecare services, Medicare pays based on the acuity level of the patient and based on periods of care. A period of care is defined as a length of care up to 30 days with multiple continuous periods allowed. The services covered by the payment include all disciplines of care, in addition to medical supplies, within the scope of the home health benefit.

For hospice services, Medicare pays a daily rate to cover the hospice's costs for providing services included in the patient care plan. Medicare makes daily payments based on 1 of 4 levels of hospice care. All hospice care and services offered to patients and their families must follow an individualized written plan of care that meets the patient's needs.

Hospice service revenue is subject to certain limitations on payments from Medicare. We are subject to an inpatient cap limit and an overall Medicare payment cap for each provider number. We monitor these caps on a provider-by-provider basis and estimate amounts due back to Medicare if we estimate a cap has been exceeded. If applicable, we record these cap adjustments as a reduction to revenue.

Medicaid is operated by individual states with the financial participation of the federal government. The states in which we operate currently use prospective cost-based reimbursement systems. Under cost-based reimbursement systems, the skilled nursing facility is reimbursed for the reasonable direct and indirect allowable costs it incurred in a base year in providing routine resident care services as defined by the program.

Private pay, managed care, and other payment sources include commercial insurance, individual patient funds, managed care plans and the Veterans Administration. Private paying patients, private insurance carriers and the Veterans Administration generally pay based on the healthcare center's charges or specifically negotiated contracts. For private pay patients in skilled nursing, assisted living and independent living facilities, the Company bills for room and board charges, with the remittance being due on receipt of the statement.

Certain managed care payors for homecare services pay on a per-visit basis. This revenue is recorded on an accrual basis based upon the date of services at amounts equal to its established or estimated per-visit rates.

Note 10: CONCENTRATIONS OF CREDIT RISK

The Company maintains cash with financial institutions in excess of the FDIC limit of \$250,000 by \$40,694,651 and \$31,528,524 at June 30, 2025 and 2024, respectively.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 11: COMMITMENTS

There are various claims and litigation against the Company that could materially affect its financial position at the time of the ultimate settlement of such actions. For medical malpractice cases in Louisiana, the Company is self-insured up to the first \$100,000 per claim and is covered for the excess over \$100,000 up to the statutory malpractice damages "cap" of \$500,000 through enrollment in the Louisiana Patients' Compensation Fund (the Fund).

Management is of the opinion that the Company's reserve provides adequate coverage for the first \$100,000 of each claim outstanding.

Due to the state of nursing home litigation and the unpredictability of jury verdicts, it is the opinion of management that it is reasonably possible that this estimate will change in the near term. However, the Company does not expect any such changes to the estimate to be material to the Company's consolidated financial statements. The Company has recorded a reserve in accounts payable and accrued expenses of \$769,844 and \$1,634,676 at June 30, 2025 and 2024, respectively, for the claims.

The Company has elected to self-insure employee and eligible dependent health claims. The self-insured claims are processed through a third party plan administrator. The Company's self-insured plan has stop-loss insurance coverage for claims in excess of \$100,000 per individual per plan year and \$125,000 in the aggregate for claims in excess of the individual stop-loss. The Company has recorded a current liability in accounts payable and accrued expenses for open claims and claims incurred but not reported of \$1,430,060 and \$1,183,537 at June 30, 2025 and 2024, respectively.

Note 12: LEASES

The Company has operating and finance leases for office space, land, and equipment. The leases have remaining terms of two to fifty-seven years, some of which may include options to extend the leases, and some of which may include options to terminate the leases. The optional periods are only included in determining the lease term if the Company determines they are reasonably likely to exercise the option.

The weighted average remaining lease term and weighted average discount rate for the operating leases were fourteen years and eleven months and thirteen years and three months and 3.63% and 3.37% at June 30, 2025 and 2024, respectively. Lease expense for the years ended June 30, 2025 and 2024, was \$1,736,606 and \$1,415,832, respectively.

The Company entered a finance lease for a parcel of land in October 2023 and determined the present value of the lease payments represents substantially all of the fair value of underlying asset. The weighted average remaining lease term and weighted average discount rate for the finance lease was 56 years and 5.30% at June 30, 2025. Amortization on the right of use asset was \$123,107 and interest expense was \$387,611 for the year ended June 30, 2025. The lease agreement contains escalating lease payments where the cash payments exceed the principal payments until 2052.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 12: LEASES (Continued)

The accretion of interest was \$168,338 and \$279,294 for the years ended June 30, 2025 and 2024, respectively.

Future minimum lease payments under non-cancellable leases as of June 30, 2025 were as follows:

<i>For the years ending June 30,</i>	Operating Leases	Finance Leases
2026	\$ 1,140,700	\$ 300,500
2027	599,078	306,510
2028	399,680	312,640
2029	191,478	318,893
2030	126,095	325,271
Thereafter	3,992,800	28,730,073
Total future minimum lease payments	6,449,831	30,293,887
Less imputed interest	(2,039,087)	(22,736,842)
Present value of lease liabilities	\$ 4,410,744	\$ 7,557,045

Note 13: DEFINED CONTRIBUTION PLAN

The Company sponsors a defined contribution plan (the Plan) covering all employees that are at least 21 years of age and have completed one year of service. Under provisions of the plan, the Employer must match 100% of each employee's contributions up to the first 1% of the employee's annual compensation and match 50% of each employee's contribution up to an additional 5% of the employee's annual compensation. Employer contribution expenses were \$1,757,232 and \$1,496,262 for the years ended June 30, 2025 and 2024, respectively.

Note 14: RELATED PARTIES

During the years ended June 30, 2025 and 2024, entities controlled by certain members of management have non-controlling interests in CCC Pharmacy, LLC and Post Acute Holdings, LLC. For the year ended June 30, 2024 distributions to the related parties totaled \$1,050,000 and there were no contributions. For the year ended June 30, 2025 distributions to the related parties totaled \$820,000 and there were no contributions.

CommCare Corporation
Notes to Consolidated Financial Statements

Note 15: FUNCTIONAL CLASSIFICATION OF EXPENSES

Costs related to program administration are functionally classified as supporting services expenses. Any costs related to activities that constitute direct conduct or direct supervision of program activities are program expenses. The Company did not have any fundraising expenses for the year ended June 30, 2025 and 2024. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function of the Company. Therefore, these expenses require allocation on a reasonable basis that is consistently applied.

Nursing services, general and administrative, therapy and ancillary services, cost of pharmacy sales, dietary and food, plant operations and maintenance, provider fees, housekeeping and laundry, activities and social services, bad debt expense, advertising costs, and community services costs have been allocated based on actual direct expenditures excluding salary and benefit costs. Salaries and benefits have been allocated based on time and effort. Lease expenses have been allocated based on use of space. The table below presents expenses by both their nature and function for the years ended June 30, 2025 and 2024:

For the year ended June 30, 2025	Program Services	Support Services	Total
Salaries and benefits	\$ 94,249,912	\$ 35,559,023	\$ 129,808,935
Nursing services	7,028,440	122,153	7,150,593
General and administrative	-	16,892,469	16,892,469
Therapy and ancillary services	12,307,791	-	12,307,791
Cost of pharmacy sales	15,812,291	-	15,812,291
Dietary and food	7,094,462	-	7,094,462
Depreciation and amortization	8,934,794	3,098,910	11,033,704
Plant operations and maintenance	-	9,681,834	9,681,834
Provider fees	7,421,704	-	7,421,704
Housekeeping and laundry	1,112,155	-	1,112,155
Activities and social services	554,362	-	554,362
Bad Debt Expense	794,445	-	794,445
Lease expense	-	1,736,606	1,736,606
Advertising costs	-	213,020	213,020
Community services	-	155,600	155,600
Total operating expenses	\$ 154,310,356	\$ 67,459,615	\$ 221,769,971

CommCare Corporation
Notes to Consolidated Financial Statements

Note 15: FUNCTIONAL CLASSIFICATION OF EXPENSES (CONTINUED)

For the year ended June 30, 2024	Program Services	Support Services	Total
Salaries and benefits	\$ 93,764,629	\$ 31,708,687	\$ 125,473,316
Nursing services	9,038,693	112,102	9,150,795
General and administrative	-	18,763,321	18,763,321
Therapy and ancillary services	12,703,543	-	12,703,543
Cost of pharmacy sales	14,998,733	-	14,998,733
Dietary and food	6,969,941	-	6,969,941
Depreciation and amortization	8,846,248	3,462,495	12,308,743
Plant operations and maintenance	-	9,077,898	9,077,898
Provider fees	7,474,747	-	7,474,747
Housekeeping and laundry	1,155,507	-	1,155,507
Activities and social services	553,948	-	553,948
Bad Debt Expense	309,847	-	309,847
Lease expense	-	1,415,832	1,415,832
Advertising costs	-	324,360	324,360
Community services	-	85,680	85,680
Total operating expenses	\$ 155,815,836	\$ 64,950,375	\$ 220,766,211

Note 16: DISPOSALS

During the year ended June 30, 2024 the Company sold three facilities, the operations of two skilled nursing facilities, and a home health license. As part of the sales the company received \$27,158,620 in proceeds for property, plant, and equipment and CONs with a net book value of \$10,497,422 and \$1,781,652, respectively. The gain on the disposal of assets for year ended June 30, 2024 was \$14,879,546.

Note 17: SUBSEQUENT EVENTS

On November 1, 2025, the Company created a wholly owned non-profit subsidiary, Mississippi CommCare Corporation (MCC), to acquire 8 leased operations of skilled nursing facilities throughout the state of Mississippi. The facilities consist of 1,117 licensed beds and approximately 1,100 employees. MCC entered into a 10 year lease, with future extension options, the total present value over the life of the initial term is \$120,176,304 and will be classified as an operating lease.



SUPPLEMENTARY INFORMATION



Commcare Corporation
Schedule of Compensation, Benefits, and
Other Payments to Agency Head

Agency Head Name: Dr. Patricia Prechter, President and CEO

Purpose	Amount	
Salary	\$	-
Benefits-insurance		-
Benefits-retirement		-
Benefits-medicare		-
Benefits-worker's compensation		-
Benefits-unemployment		-
Cell phone and Ipad dues		-
Uniforms		-
Per diem		-
Reimbursements-advertising		-
Travel		-
Fuel usage		-
Conference travel (Including Hotel Stays)		-
Continuing professional education fees		-
Housing		-
Unvouchered expenses		-
Special meals		-
Total	\$	-

* Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expenses, per diem, and registration fees be reported as a supplemental report within the financial statement of local governmental and quasi-public auditees. In 2015 Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

CommCare Corporation
Consolidating Balance Sheet

June 30, 2025	CommCare	CommCare Avoyelles	CommCare Natchitoches	CommCare Tangipahoa	CommCare Catahoula	CommCare EBR	CommCare Center Point	CommCare Ouachita	CommCare Slidell	CommCare St. Tammany	CommCare Baton Rouge	CommCare Rapides	CommCare Bossier	Chateau De Notre Dame Facilities Corporation	Our Lady of Wisdom Facility Corporation	CommCare Management	CommCare Louisiana	CCC Pharmacy	Post Acute Holdings, LLC	Eliminations	Totals
Assets																					
Current assets																					
Cash and cash equivalents	\$ 20,163,135	\$ 1,054	1,736,928	\$ 13,778	\$ -	\$ 28,941	\$ -	\$ 81,252	\$ 39,907	\$ 81,777	\$ -	\$ -	\$ 78,860	\$ 185,092	\$ 10,211	\$ 2,257,108	4,767,844	\$ 1,466,203	700,082	\$ -	\$ 31,612,172
Accounts receivable, net	21,881,839	42,602	110,000	227,334	-	-	-	-	-	-	-	-	43,229	-	-	1,200,588	-	1,062,838	1,991,889	(2,419,124)	24,141,195
Prepaid expenses and other current assets	1,227,114	79,598	99,162	88,271	-	94,593	-	106,773	143,069	112,974	-	-	62,953	245,567	221,493	44,641	6,152	731,701	37,662	-	3,301,723
Intercompany	12,527,249	910,652	(12,503,670)	(42,926)	(217,654)	-	(331,606)	-	-	-	-	-	-	-	-	-	(342,045)	-	-	-	-
Total current assets	55,799,337	1,033,906	(10,557,580)	286,457	(217,654)	123,534	(331,606)	188,025	182,976	194,751	-	-	185,042	430,659	231,704	3,502,337	4,431,951	3,260,742	2,729,633	(2,419,124)	59,055,090
Non-current assets																					
Restricted cash	6,006,309	267,101	349,898	-	-	376,293	-	1,057,672	376,334	543,509	-	-	-	735,949	656,115	-	-	-	-	-	10,369,180
Notes receivable	17,929,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,809,675)	11,119,325
Investments in majority owned subsidiaries	14,148,817	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,705,125	-	-	(27,853,942)	-
Equity method investment	3,672,942	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,672,942
Intangible assets	39,604,145	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	86,603	-	9,580,389	-	49,271,137
Goodwill	6,456,944	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,456,944
Fair value of interest rate swaps	332,375	-	137,474	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	469,849
Miscellaneous	55,742	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,173	44,096	-	-	123,011
Operating lease right-of-use assets, net	1,712,567	-	-	-	-	-	-	-	-	2,557,312	-	-	-	-	-	-	-	-	126,567	-	4,396,446
Finance lease right-of-use assets, net	6,736,743	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,736,743
Property and equipment, net	96,755,477	8,159,664	19,827,107	14,549,529	-	7,211,796	-	5,232,493	21,653,799	12,198,130	-	-	-	25,202,374	6,540,630	183,044	-	249,191	2,397	(1,233,314)	216,532,317
Total non-current assets	193,411,061	8,426,765	20,314,479	14,549,529	-	7,588,089	-	6,290,165	22,030,133	15,298,951	-	-	-	25,938,323	7,196,745	183,044	13,814,901	293,287	9,709,353	(35,896,931)	309,147,894
Total assets	\$ 249,210,398	\$ 9,460,671	\$ 9,756,899	\$ 14,835,986	\$ (217,654)	\$ 7,711,623	\$ (331,606)	\$ 6,478,190	\$ 22,213,109	\$ 15,493,702	\$ -	\$ -	\$ 185,042	\$ 26,368,982	\$ 7,428,449	\$ 3,685,381	\$ 18,246,852	\$ 3,554,029	\$ 12,438,986	\$ (38,316,055)	\$ 368,202,984
Liabilities and Net Assets																					
Current liabilities																					
Accounts payable and accrued expenses	\$ 15,077,785	136,446	\$ -	\$ 165,873	\$ -	\$ 68,109	\$ -	\$ 64,719	\$ 92,843	\$ 137,242	\$ -	\$ -	\$ 79,657	\$ 91,482	\$ 134,591	\$ 1,996,965	\$ 60,105	\$ 549,461	\$ 954,921	\$ (2,348,704)	\$ 17,261,495
Current portion of long-term debt	17,569,747	-	324,810	472,226	-	106,242	-	114,020	153,037	124,277	-	-	-	629,290	124,124	-	-	-	-	-	19,700,773
Current portion of operating leases	953,707	-	-	-	-	-	-	-	-	77,297	-	-	-	-	-	-	-	-	62,665	-	1,093,669
Total Current Liabilities	33,601,239	136,446	324,810	638,099	-	174,351	-	178,739	245,880	338,816	-	-	79,657	720,772	341,715	1,996,965	60,105	549,461	1,017,586	(2,348,704)	38,055,937
Long-term liabilities																					
Long-term debt, less current portion and less debt issuance costs	73,680,411	10,963,557	11,804,770	11,591,696	-	11,284,786	-	11,282,885	16,250,553	9,756,536	-	-	-	26,739,599	9,776,057	-	-	-	656,824	(6,152,319)	187,635,355
Finance Lease liabilities, less current portion	7,557,045	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,557,045
Operating Lease liabilities, less current portion	773,041	-	-	-	-	-	-	-	-	2,480,015	-	-	-	-	-	-	-	-	64,019	-	3,317,075
Total long-term liabilities	82,010,497	10,963,557	11,804,770	11,591,696	-	11,284,786	-	11,282,885	16,250,553	12,236,551	-	-	-	26,739,599	9,776,057	-	-	-	720,843	(6,152,319)	198,509,475
Total liabilities	115,611,736	11,100,003	12,129,580	12,229,795	-	11,459,137	-	11,461,624	16,496,433	12,575,367	-	-	79,657	27,460,371	10,117,772	1,996,965	60,105	549,461	1,738,429	(8,501,023)	236,565,412
Net assets without donor restrictions																					
CommCare	127,431,356	(1,639,332)	(2,372,681)	2,606,191	(217,654)	(3,747,514)	(331,606)	(4,983,434)	5,716,676	2,918,335	-	-	105,385	(1,091,389)	(2,689,323)	1,688,416	12,019,441	3,004,568	10,700,557	(23,647,726)	125,470,266
Noncontrolling interest in subsidiaries	6,167,306	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,167,306	-	-	(6,167,306)	6,167,306
Total Net Assets	133,598,662	(1,639,332)	(2,372,681)	2,606,191	(217,654)	(3,747,514)	(331,606)	(4,983,434)	5,716,676	2,918,335	-	-	105,385	(1,091,389)	(2,689,323)	1,688,416	18,186,747	3,004,568	10,700,557	(29,815,032)	131,637,572
Total liabilities and net assets	\$ 249,210,398	\$ 9,460,671	\$ 9,756,899	\$ 14,835,986	\$ (217,654)	\$ 7,711,623	\$ (331,606)	\$ 6,478,190	\$ 22,213,109	\$ 15,493,702	\$ -	\$ -	\$ 185,042	\$ 26,368,982	\$ 7,428,449	\$ 3,685,381	\$ 18,246,852	\$ 3,554,029	\$ 12,438,986	\$ (38,316,055)	\$ 368,202,984

CommCare Corporation
Consolidating Statement of Revenues, Expenses,
and Changes in Net Assets

For the year ended June 30, 2025	CommCare	CommCare Avoyelles	CommCare Natchitoches	CommCare Tangiphoa	CommCare Catahoula	CommCare EBR	CommCare Center Point	CommCare Ouachita	CommCare Slidell	CommCare St. Tammany	CommCare Baton Rouge	CommCare Rapides	CommCare Bossier	Chateau De Notre Dame Facilities Corporation	Our Lady of Wisdom Facility Corporation	CommCare Management	CommCare LA	CCC Pharmacy	Post Acute Holdings, LLC	Eliminations	Total	
Revenue without donor restrictions, gains, and other support																						
Patient service revenue, net	\$ 208,283,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	12,293,534	\$ (3,868,264)	\$ 216,708,529	
Pharmacy sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,480,568	-	(4,055,430)	19,425,138	
Management fee income	2,059,048	-	-	-	-	281,844	-	242,913	407,855	327,140	-	-	14,615	728,142	429,802	11,695,357	9,496	3,337,938	1,390,890	-	44,461,701	
Lease Income	224,268	747,000	1,012,130	1,900,920	-	1,185,392	-	955,278	1,201,163	681,909	-	-	120,000	2,902,778	1,002,973	42,000	-	-	60,984	(15,881,495)	828,806	
Grant Revenue	320,815	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,751,543)	224,268
Other operating revenues	3,169,718	-	-	-	-	-	-	-	-	-	-	-	-	-	-	598,555	284,037	-	-	-	320,815	
Total revenue without donor restrictions, gains, and other support	214,057,108	747,000	1,012,130	1,900,920	-	1,185,392	-	955,278	1,201,163	681,909	-	-	120,000	2,902,778	1,002,973	15,230,824	284,037	23,480,568	12,354,518	(35,556,732)	241,559,866	
Operating expenses																						
Nursing services	85,340,384	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,491,124	-	-	6,837,981	(3,868,264)	91,801,225	
General and Administrative	25,196,471	137,466	139,902	121,870	-	281,844	-	242,913	407,855	327,140	-	-	14,615	728,142	429,802	11,695,357	9,496	3,337,938	1,390,890	-	44,461,701	
Therapy and ancillary services	16,359,471	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,750	(4,055,430)	12,307,791	
Cost of goods sold- pharmacy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,812,291	-	-	15,812,291	
Dietary and food	13,397,042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,397,042	
Depreciation and amortization	6,680,958	545,185	981,121	667,282	-	215,770	-	195,759	414,913	241,448	-	-	-	854,475	134,557	72,387	-	60,087	3,594	(33,832)	11,033,704	
Plant operations and maintenance	11,179,712	-	-	-	-	-	-	-	-	-	-	-	-	-	-	243,063	-	-	25,627	-	11,448,402	
Provider fees	7,379,627	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42,077	-	-	7,421,704	
Housekeeping and laundry	6,420,481	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,420,481	
Activities and social services	3,211,774	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	336,445	-	3,548,219	
Bad debt expense	794,445	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	794,445	
Lease expense	13,315,950	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	172,199	(11,751,543)	1,736,606	
Advertising costs	1,140,144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,437	287,179	-	1,430,760	
Community services	155,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	155,600	
Management fees	14,816,840	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	210,878	-	853,777	(15,881,495)	-	
Total operating expenses	205,388,899	682,651	1,121,023	789,152	-	497,614	-	438,672	822,768	568,588	-	-	14,615	1,582,617	564,359	15,501,931	220,374	19,255,830	9,911,442	(35,590,564)	221,769,971	
Operating income	8,668,209	64,349	(108,893)	1,111,768	-	687,778	-	516,606	378,395	113,321	-	-	105,385	1,320,161	438,614	(271,107)	63,663	4,224,738	2,443,076	33,832	19,789,895	
Non-operating revenues (expenses)																						
Loss on disposal of assets	(4,605)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70,342	-	-	-	-	65,737	
Miscellaneous income (expense)	2,362,945	-	-	-	-	-	-	-	-	-	813	1,618	-	-	-	(22,469)	-	(8,945)	3,306	-	2,337,268	
Equity in earnings of subsidiaries	7,921,355	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,557,379	-	-	(14,478,734)	-	
Gain on equity method investment	723,512	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	723,512	
Debt forgiveness	(1,036,154)	-	-	3,599,754	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,563,600	
Interest income	684,559	1,894	126,414	34,972	-	3,776	-	11,066	3,191	5,153	-	-	-	3,778	2,828	2,652	10,712	55,137	-	(159,933)	786,199	
Interest expense	(5,587,662)	(639,777)	(649,546)	(1,117,472)	-	(795,814)	-	(736,019)	(950,949)	(426,108)	-	-	-	(995,759)	(287,380)	-	(66,780)	-	(159,933)	136,454	(12,276,745)	
Unrealized gain (loss) on swaps	(1,088,970)	-	(227,775)	(19,179)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,335,924)	
Gain on sale of majority interest in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total non-operating revenues (expenses)	3,974,980	(637,883)	(750,907)	2,498,075	-	(792,038)	-	(724,953)	(947,758)	(420,955)	813	1,618	-	(991,981)	(284,552)	50,525	6,501,311	46,192	(156,627)	(14,502,213)	(7,136,353)	
Change in net assets without donor restrictions	12,643,189	\$ (573,534)	\$ (859,800)	\$ 3,609,843	\$ -	\$ (104,260)	\$ -	\$ (208,347)	\$ (569,363)	\$ (307,634)	\$ 813	\$ 1,618	\$ 105,385	\$ 328,180	\$ 154,062	\$ (220,582)	\$ 6,564,974	\$ 4,270,930	\$ 2,286,449	\$ (14,468,381)	\$ 12,653,542	
Less change in net assets attributable to noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,950,821)	-	-	-	(2,950,821)	
Total changes in net assets without donor restrictions	12,643,189	(573,534)	(859,800)	3,609,843	-	(104,260)	-	(208,347)	(569,363)	(307,634)	813	1,618	105,385	328,180	154,062	(220,582)	3,614,153	4,270,930	2,286,449	(14,468,381)	9,702,721	
Net assets																						
Beginning of year	\$ 122,800,473	\$ (1,065,798)	\$ (1,512,881)	\$ (1,003,652)	\$ (217,654)	\$ (560,661)	\$ (331,606)	\$ (436,880)	\$ (30,113)	\$ (20,121)	\$ (813)	\$ (1,618)	\$ -	\$ (749,050)	\$ (2,843,385)	\$ 1,908,998	\$ 13,466,773	\$ 2,833,638	\$ 8,414,108	\$ (19,820,728)	\$ 120,829,030	
Distributions to noncontrolling shareholder in subs	(1,845,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,845,000)	(4,100,000)	-	5,945,000	(1,845,000)	
Intercompany equity transfer	-	-	-	-	-	(3,082,593)	-	(4,338,207)	6,316,152	3,246,090	-	-	-	(670,519)	-	-	-	-	-	(1,470,923)	-	
End of year	\$ 133,598,662	\$ (1,639,332)	\$ (2,372,681)	\$ 2,606,191	\$ (217,654)	\$ (3,747,514)	\$ (331,606)	\$ (4,983,434)	\$ 5,716,676	\$ 2,918,335	\$ -	\$ -	\$ 105,385	\$ (1,091,389)	\$ (2,689,323)	\$ 1,688,416	\$ 18,186,747	\$ 3,004,568	\$ 10,700,557	\$ (29,815,032)	\$ 131,637,572	

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
CommCare Corporation
Mandeville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of CommCare Corporation (the Company) (a nonprofit organization), which comprise the consolidated balance sheet as of June 30, 2025, and the related consolidated statements of revenues, expenses and changes in net assets, and cash flows, for the year then ended, and the related notes to financial statements, and have issued our report thereon dated December 15, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Company’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Company’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Mandeville, Louisiana
December 15, 2025