ABBATE DEMARINIS, LLP
Certified Public Accountants & Consultants

ST. MICHAEL'S HOME, INC.
(A Not-For-Profit Corporation)

FINANCIAL STATEMENTS AND
INDEPENEDENT AUDITORS' REPORT

As of and for the Years Ended
December 31, 2025 and 2024

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ST. MICHAEL'S HOME, INC.
(A Not-For-Profit Corporation)

CONTENTS

ABBATE DEMARINIS, LLP
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Independent Auditors' Report

Board of Trustees of
St. Michael's Home, Inc.

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of St. Michael's Home, Inc., which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of St. Michael's Home, Inc. as of December 31, 2025 and 2024, and the results of its operations and 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. Michael's Home, Inc. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 St. Michael's Home, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Michael's Home, Inc.'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 audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

Abbate DeMarinis LLP

CERTIFIED PUBLIC ACCOUNTANTS
September 1, 2026

ST. MICHAEL'S HOME, INC.
(A Not-For-Profit Corporation)

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash	$ 260,458	$ 163,646
Investments (Note 7)	268,352	282,192
Accounts Receivable	13,510	36,878
Prepaid Expenses and Other Current Assets	28,602	45,385
Mortgage Escrows	84,131	57,029
TOTAL CURRENT ASSETS	655,053	585,130
PROPERTY AND EQUIPMENT - NET (Note 4)	51,882,644	48,028,497
OTHER ASSETS		
Finance Fees - Net (Note 5)	8,391	-
Beneficial Interest in Split-Interest Agreements (Note 6)	1,145,662	649,696
Assets Whose Use is Limited (Note 7)	1,435,870	679,719
TOTAL OTHER ASSETS	2,589,923	1,329,415
TOTAL ASSETS	$ 55,127,620	$ 49,943,042

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts Payable	$ 704,418	$ 355,829
Accrued Expenses	81,608	65,017
Revolving Line of Credit (Note 8)	1,151,781	-
Loan Payable (Note 10)	2,500,000	2,500,000
Mortgage Payable (Note 9)	1,439,603	1,443,249
TOTAL CURRENT LIABILITIES	5,877,410	4,364,095
TOTAL LIABILITIES	5,877,410	4,364,095
COMMITMENTS AND CONTINGENCIES (Note 11)		
NET ASSETS		
Without Donor Restrictions	46,668,678	44,249,532
With Donor Restrictions (Notes 6 and 7)	2,581,532	1,329,415
TOTAL NET ASSETS	49,250,210	45,578,947
TOTAL LIABILITIES AND NET ASSETS	$ 55,127,620	$ 49,943,042

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

ST. MICHAEL'S HOME, INC.
(A Not-For-Profit Corporation)

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2025

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT			
Revenues - Resident Fees	$ 1,146,374	$ -	$ 1,146,374
Expenses			
Care of Residents	1,484,449	-	1,484,449
Administrative Expenses	467,045	-	467,045
Total Expenses	1,951,494	-	1,951,494
NET OPERATING SUPPORT LOSS BEFORE NON OPERATING SUPPORT	(805,120)	-	(805,120)
NON OPERATING SUPPORT			
Contributions and Pledges	261,269	3,707,412	3,968,681
Bequests and Memorials	97,051	-	97,051
Holiday Appeals	126,716	-	126,716
Chapel Income	3,712	-	3,712
Dinner Dance Event - Net	211,661	-	211,661
Investment Income - Net	9	36,624	36,633
Gain on Beneficial Interest in Split-interest Agreements	-	29,190	29,190
Miscellaneous Income	2,739	-	2,739
TOTAL NON OPERATING SUPPORT	703,157	3,773,226	4,476,383
CHANGE IN NET ASSETS	(101,963)	3,773,226	3,671,263
NET ASSETS, BEGINNING OF YEAR	44,249,532	1,329,415	45,578,947
NET ASSETS RELEASED FROM RESTRICTIONS	2,521,109	(2,521,109)	-
NET ASSETS, END OF YEAR	$ 46,668,678	$ 2,581,532	$ 49,250,210

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

ST. MICHAEL'S HOME, INC.
(A Not-For-Profit Corporation)

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT			
Revenues - Resident Fees	$ 862,907	$ -	$ 862,907
Expenses			
Care of Residents	1,416,911	-	1,416,911
Administrative Expenses	463,188	-	463,188
Total Expenses	1,880,099	-	1,880,099
NET OPERATING SUPPORT LOSS BEFORE NON OPERATING SUPPORT	(1,017,192)	-	(1,017,192)
NON OPERATING SUPPORT			
Contributions and Pledges	276,184	2,525,834	2,802,018
Bequests and Memorials	415,893	-	415,893
Holiday Appeals	131,167	-	131,167
Chapel Income	3,218	-	3,218
Dinner Dance Event - Net	137,918	-	137,918
Investment Income - Net	9	55,689	55,698
Gain on Beneficial Interest in Split-interest Agreements	-	40,497	40,497
Miscellaneous Income	2,095	-	2,095
TOTAL NON OPERATING SUPPORT	966,484	2,622,020	3,588,504
CHANGE IN NET ASSETS	(50,708)	2,622,020	2,571,312
NET ASSETS, BEGINNING OF YEAR	39,746,737	3,260,898	43,007,635
NET ASSETS RELEASED FROM RESTRICTIONS	4,553,503	(4,553,503)	-
NET ASSETS, END OF YEAR	$ 44,249,532	$ 1,329,415	$ 45,578,947

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

ST. MICHAEL'S HOME, INC.
(A Not-For-Profit Corporation)

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 3,671,263	$ 2,571,312
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Amortization	8,391	6,933
Depreciation	23,870	100,066
Gain on Beneficial Interest in Split-interest Agreements	(29,190)	(40,497)
(Increase) Decrease in Assets		
Accounts Receivable	23,368	(16,997)
Prepaid Expenses and Other Current Assets	16,783	(21,478)
Mortgage Escrows	(27,102)	(29,565)
Increase (Decrease) in Liabilities		
Accounts Payable	348,589	(113,146)
Accrued Expenses	16,591	14,105
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,052,563	2,470,733
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	13,840	-
Purchases of Property and Equipment	(3,878,017)	(4,321,814)
Donation of Beneficial Interest in Split-Interest Agreements	(466,776)	-
Assets Whose Use is Limited	(756,151)	1,971,980
NET CASH USED BY INVESTING ACTIVITIES	(5,087,104)	(2,349,834)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Finance Fees	(20,428)	-
Proceeds from Line of Credit	1,151,781	-
Payments on Mortgage Payable	-	(68,102)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	1,131,353	(68,102)
NET INCREASE IN CASH	96,812	52,797
CASH, BEGINNING OF YEAR	163,646	110,849
CASH, END OF YEAR	$ 260,458	$ 163,646

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

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2025 and 2024

(1) **Nature of Operations -** St. Michael's Home, Inc. (the "Home") is a not-for-profit corporation dedicated to the purpose of providing living facilities and services for the aged.

(2) **Summary of Significant Accounting Policies** - The significant accounting policies followed by the Home is summarized below:

Basis of Accounting - The accompanying combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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

Reclassifications - Certain amounts in the prior year presented have been reclassified to conform to the current year financial statement presentation. These reclassifications have no effect on previously reported net income.

Cash and Cash Equivalents - The Home considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts - Accounts receivable consist primarily of amounts due from Medicare and Medicaid programs, private payors, and a variety of other third party payors, net of estimates for variable consideration. Accounts receivables are stated at the amount the Home expects to collect. The Home provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Home's estimate is based on historical collection experience and a review of the status of resident accounts receivable. It is reasonably possible that the Home's estimate of the allowance for doubtful accounts will change.

Investment Valuation and Income Recognition – Investments are recorded at fair value and are categorized based upon a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. Fair value of a financial instrument is the amount that would be received in an asset sale or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The categorization of financial instruments within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

(2) Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition (continued) – The hierarchy is prioritized into three level defined as follows:

Level 1 – Inputs are based on quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Inputs are other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly (i.e. – quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).

Level 3 – Inputs are unobservable inputs (i.e. – a company's own data) for the asset or liability and should be used to measure fair value to the extent that relevant observable inputs are not available.

Investments are carried at fair value, and realized and unrealized gains and losses are reflected within investment return, net of investment expenses, in the statement of activities. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from the sales of securities are included in earnings and are determined on a specific identification basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

On an annual basis, individual investments are reviewed for impairment to determine whether the fair value is less than its cost. If a decline in fair value is less than its cost, this impairment is assessed as either temporary or other-than-temporary. There were no temporary or other-than-temporary impairments recorded during the years ended December 31, 2025 and 2024, respectively.

Property and Equipment – Property and equipment is recorded at cost and includes expenditures for additions and improvements that extend the useful lives of the building and equipment. Expenditures for maintenance and repairs are charged to expense as incurred. Upon retirement or disposal, the related costs and accumulated depreciation are reduced by the carrying amounts. Gains or losses on these transactions are included in income or expense as incurred. Property and equipment are depreciated using the straight-line method over their estimated useful lives.

Deferred Financing Fees – Deferred financing fees are recorded at cost and is comprised of mortgage related closing costs. Deferred financing fees are amortized using the straight-line method over the life of the mortgage. Deferred financing fees are presented in the balance sheet as a reduction of long-term debt.

(2) Summary of Significant Accounting Policies (continued)

Long-Lived Assets – Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not to be recoverable. If the sum of the future cash flows (undiscounted and without interest charges) expected to result from the use of the intangible asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized to the extent the carrying amount of the asset exceeds its fair value.

Revenue Recognition - The Home's revenue is derived primarily from providing a living facility and services for the aged. Revenues are recognized when control of the promised services are provided to the residents at the amount that reflects the consideration to which the Home expects to be entitled from residents and third-party payors in exchange for providing resident living.

Performance obligations are determined based on the nature of the services provided. The resident agreement provides a home and services in exchange for a contractual agreed-upon amount or rate. Resident fees are treated as a single performance obligation satisfied over time as the resident resides in the home and receives services over time. As such, resident care services represent a bundle of services that are not capable of being distinct. Additionally, there may be ancillary services which are not included in the daily rates for routine services, but instead are treated as separate performance obligations satisfied over time, if and when those services are rendered.

Revenue recognized from resident fees are adjusted for estimates of variable consideration (implicit price concessions) to arrive at the transaction price. The Home determines the transaction price based on contractually agreed-upon amounts as determined by the Home, adjusted for estimates of variable consideration. The Home uses the expected value method in determining the variable component that should be used to arrive at the transaction price, using contractual agreements and historical collection experience within each payor type. The amount of variable consideration which is included in the transaction price may be constrained, and is included in net revenue only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period. If actual amounts of consideration ultimately received differ from the Home's estimates, the Home adjusts these estimates, which would affect net resident revenues in the period such variances become known. Adjustments arising from a change in the transaction price were not significant for the years ended December 31, 2025 and 2024.

The Home disaggregates revenue from contracts with its residents by payors to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Settlement with third party payors for retroactive adjustments due to audits and reviews are considered variable consideration and are included in the determination of the estimated transaction price. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Home's historical settlement activity. Any changes to these revenue estimates are recorded in the period the change or adjustment becomes known based on final settlement. The Home recorded adjustments to net resident revenues which were not material to the Home's revenue or financial statements for the years ended December 31, 2025 and 2024.

(2) Summary of Significant Accounting Policies (continued)

Net Assets - Net assets of the Home consist of the following:

Without Donor Restrictions - These net assets are available for general obligations of the Home.

With Donor Restrictions - These net assets are restricted by donors to be used for some specific purpose. Income and capital gains may or may not be used depending on the donor/endowment agreement.

Contributions and Pledges - Contributions and pledges are recorded as revenue when either unsolicited cash is received or the year in which the donors promise to give becomes due and collectible. Contributions and pledges are classified as either, unrestricted, temporarily restricted or permanently restricted revenue based upon donor-imposed restrictions. Pledges are recognized in the year in which they become due and collectible.

Fair Value of Financial Instruments - The fair value of current assets and liabilities approximate carrying value because of the short-term nature of these items. The recorded values of long-term debt approximates its fair value, as interest approximates market rates.

Federal Income Taxes - The Home is a Not-For-Profit Organization as described in Section 501 (c) (3) of the Internal Revenue Code ("IRC") and is exempt from Federal income taxes pursuant to Section 501(a) of the IRC.

Accounting for Uncertainty in Income Taxes – The Home recognizes the effect of income tax position only if those positions are more likely than not to be sustained. Management has determined that the Home had no uncertain tax positions that would require financial statement recognition and/or disclosure. The Home is no longer subject to examination by applicable taxing jurisdictions for periods prior to December 31, 2022.

Performance Indicator – The statement of activities and changes in net assets includes the caption change in net assets. For the years ended December 31, 2025 and 2024, there were no items excluded from the performance indicator.

Functional Allocation of Expenses – The financial statements report certain categories of expenses that are attributed to one or more program or supporting services. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel costs are allocated on the basis of staff estimates of time and effort. Costs identifiable to a particular function are directly charged to the program or supporting service. All other costs that are not charged directly to a program or supporting service are allocated based on the percentage of overall salary allocation.

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2025 and 2024

(3) Liquidity and Availability of Resources – The Home's financial assets for general expenditures, liabilities, and other obligations available within one year of the statement of financial position date are as follows at December 31:

	2025	2024
Cash	$ 260,458	$ 163,646
Investments	268,352	282,192
Accounts Receivable	13,510	36,878
Prepaid Expenses and Other Current Assets	28,602	45,385
Total	$ 570,922	$ 528,101

Liquidity Management - The Home maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(4) Property and Equipment – Property and Equipment consists of the following as of December 31:

	2025	2024
Uniondale Land	$ 3,361,972	$ 3,361,972
Land, Buildings, and Improvements	4,881,227	4,878,719
Furniture and Equipment	732,726	708,777
Construction in Progress:		
Uniondale Building	4,116,008	4,116,008
Uniondale Startup Costs	44,198,282	40,346,722
Total at Cost	57,290,215	53,412,198
Less: Accumulated Depreciation	(5,407,571)	(5,383,701)
Property and Equipment - Net	$ 51,882,644	$ 48,028,497

Depreciation for the years ended December 31, 2025 and 2024 was $23,870 and $100,066, respectively.

(5) Finance Fees – Finance Fees consists of the following as of December 31:

	2025	2024
Finance Fees	$ 16,782	$ -
Less: Accumulated Amortization	(8,391)	-
Total	$ 8,391	$ -

Amortization for the years ended December 31, 2025 and 2024 was $8,391 and $0, respectively.

Estimated amortization for the next year is $8,391.

(6) **Beneficial Interest in Split-Interest Agreements** - The Home is a beneficiary of three charitable gift annuity agreements, Katherine Malta Trust (50.0% interest), the Petsas Trust (11.11% interest), and the Hercules Parandes Testamentary Trust (10.0% interest), whereby the donors contributed assets to a third-party trustee and the income in certain instances is paid to beneficiaries over a specified period of time, or the beneficiaries received special distributions. In addition, certain trusts have a required minimum distribution to both the Home and others. The trusts provide that a portion of the trust assets becomes available to the Home after a specified period of time. These accounts are restricted by donors and are included net assets with donor restrictions. The assets measured at fair value categorized by the fair value hierarchy (level 1) consists of the following as of December 31:

	2025	2024
Cash	$ 32,624	$ 21,106
Equity Securities	1,001,538	611,594
Fixed Income Securities	111,500	16,996
Total Beneficial Interest in Split-Interest Agreements	$ 1,145,662	$ 649,696

(7) **Investments and Assets Whose Use is Limited** – The Home has various assets whose use are unrestricted and restricted by the donors to be used for the construction of the Uniondale expansion. The unrestricted assets are included in net assets without donor restrictions. The restricted assets are restricted by donors and are included net assets with donor restrictions. The assets measured at fair value categorized by the fair value hierarchy (level 1) consists of the following as of December 31:

	2025	2024
Investments		
Equity Securities	$ 268,352	$ 282,192
Assets Whose Use is Limited		
Cash	$ 1,435,870	$ 679,719

(8) **Revolving Line of Credit** – On July 3, 2025, the Home entered into a revolving line of credit arrangement with Alma Bank ("Alma") which allows for maximum borrowings of $1,500,000. The revolving line of credit is unsecured with a maturity date of July 1, 2026. The revolving line of credit carries an interest rate of Prime (6.75% and 7.50% at December 31, 2025 and 2024) plus 0.50% per annum, subject to a floor of 7.00% per annum. The Home obtained this revolving line of credit to fund construction on the Uniondale property and thus has been capitalizing interest payments while construction is ongoing. Capitalized interest for the years ended December 31, 2025 and 2024 was $25,634 and $0, respectively, and is included in property and equipment on the balance sheet as the building is not in service as of December 31, 2025 and 2024.

Borrowings under the revolving line of credit is subject to a debt service coverage ratio covenant. As of December 31, 2025, the Home was in compliance with the debt service coverage ratio covenant under the revolving line of credit.

ST. MICHAEL'S HOME, INC.
(A Not-For-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2025 and 2024

(9) **Mortgage Payable** – Mortgage payable consists of the following as of December 31:

	2025	2024
Mortgage Payable	$ 1,458,249	$ 1,458,249
Less: Unamortized Debt Finance Fees	(18,646)	(15,000)
Total Mortgage Payable Less Unamortized Debt Finance Fees	1,439,603	1,443,249
Less: Current Maturities	(1,439,603)	(1,443,249)
Mortgage Payable - Long-term	$ -	$ -

On November 18, 2014, the Home obtained a mortgage from Alma Bank for the purchase of the Uniondale property with a principal of $2,000,000. The mortgage is payable in 119 fixed monthly payments currently at $16,173 (principal, interest, and escrow inclusive), at 4.25%, based upon a 25-year amortization period with a balloon payment at maturity (December 1, 2026 as amended). The Uniondale land and building are pledged as collateral on the mortgage. Capitalized interest for the years ended December 31, 2025 and 2024 was $96,311 and $64,634, respectively, and is included in property and equipment on the balance sheet as the building is not in service as of December 31, 2025 and 2024.

In connection with the mortgage, the Home incurred financing costs of $94,230 which are being amortized over the life of the mortgage. Amortization of unamortized debt finance fees for the years ended December 31, 2025 and 2024 was $0 and $6,933, respectively.

Future maturities of the Mortgage Payable are as follows:

2026	$ 1,458,249
Thereafter	-
	$ 1,458,249

(10) **Loan Payable** – On June 12, 2023, the Home secured a loan with the Greek Orthodox Archdiocese of America ("Archdiocese") for $2,500,000. The Archdiocese obtained the funds by securing a line of credit with Alma Bank with maximum borrowings of $2,500,000 that renews annually on January 1 of each year. The Archdiocese draws funds from this line of credit and provides the drawdowns to the Home. Under the agreement, the Home is responsible for all payments, including principal, interest and penalties associated with the amounts the Archdiocese draws from the line of credit. These funds are advanced to the Home on the same basis and timing that the Archdiocese is obligated to pay under the terms of the line of credit. All fixtures and articles of personal property of the Uniondale location and monthly revenues are pledged as collateral. The loan carries an interest rate of 8.50%. Capitalized interest for the years ended December 31, 2025 and 2024 was $0 and $170,799, respectively, and is included in property and equipment on the balance sheet as the building is not in service as of December 31, 2025 and 2024.

(10) Loan Payable (continued)

In October of 2024, the Archdiocese repaid the full outstanding principal balance of $2,500,000. The loan payable remains outstanding as of December 31, 2025 and 2024 but the terms have changed between the Archdiocese and the Home. The Home is obligated to repay the loan to the Archdiocese as cash flows permit under no other stated repayment terms. The Archdiocese has the option for forgive the outstanding loan amount but currently does not have the intention of doing so.

(11) Commitments and Contingencies

Litigation – From time to time, the Home may be subject to legal proceedings arising out of the ordinary course of business. Although management cannot predict the outcome of such proceedings, management does not consider such proceedings to result in a material adverse effect on its financial position or its results of operations or its cash flows.

(12) Concentration of Credit Risk – For the years ended December 31, 2025 and 2024, the Home had cash balances in major financial institutions which at times may have exceeded Federal Depository Insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these deposits is minimal.

(13) Subsequent Events – Management of the Home has evaluated subsequent events through September 1, 2026, the date the financial statements were available to be issued. No significant events have been identified that would require adjustment to or disclosure in the accompanying financial statements.

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ST. MICHAEL'S HOME, INC.
(A Not-For-Profit Corporation)

SUPPLEMENTARY INFORMATION - STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2025 and 2024

Schedule of Functional Expenses

	2025	2024
Care of Residents Expenses		
Salaries	$ 826,839	$ 765,925
Employee Benefits	69,246	57,486
Payroll Taxes	67,084	63,040
Amortization Expense	7,552	6,240
Automobile Expense	2,397	3,390
Cleaning Service	-	4,200
Depreciation Expense	21,483	90,059
Food	271,996	212,526
Household Supplies	9,347	10,718
Insurance	105,285	86,036
Outside Services	2,034	2,048
Repairs and Maintenance	42,397	57,044
Resident Activities	4,023	5,247
Utilities	54,766	52,952
Total Care of Residents Expenses	$ 1,484,449	$ 1,416,911
General and Administrative Expenses		
Salaries	$ 295,674	$ 280,134
Employee Benefits	24,762	21,026
Payroll Taxes	23,989	23,057
Advertising	897	1,062
Amortization Expense	839	693
Bank Charges	120	4,255
Christmas Expense	5,081	1,851
Depreciation Expense	2,387	10,007
Equipment Rental	4,647	5,691
Household Supplies	1,038	1,191
Insurance	11,698	9,560
Interest	1,137	1,132
Office Expenses	24,011	23,293
Other	9,831	14,027
Payroll Services	9,616	9,059
Postage and Delivery	5,397	5,359
Professional Fees	23,235	27,384
Real Estate Taxes	5,539	4,997
Repairs and Maintenance	7,482	10,066
Utilities	9,665	9,344
Total General and Administrative Expenses	$ 467,045	$ 463,188

ST. MICHAEL'S HOME, INC.
(A Not-For-Profit Corporation)

SUPPLEMENTARY INFORMATION - STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2025 and 2024

Schedule of Selected Non Operating Support

	2025	2024
Annual Dinner Dance Event		
Dinner Dance Income		
Journals	$ 91,629	$ 53,800
Raffles	28,766	33,381
Ticket Sales	105,341	80,290
Dinner Dance Donations	92,658	56,476
Total Dinner Dance Income	318,394	223,947
Dinner Dance Expenses		
Printing	11,751	8,608
Raffle and Awards	6,250	8,750
Hotel Rental	74,017	53,850
Miscellaneous	14,715	14,821
Total Dinner Dance Expenses	106,733	86,029
Net Profit	$ 211,661	$ 137,918