MERIWETHER HEALTHCARE, LLC

AUDITED FINANCIAL STATEMENTS

Years Ended December 31, 2025 and 2024

CEDAR HILL
CPAS AND ADVISORS

MERIWETHER HEALTHCARE, LLC
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

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CEDAR HILL
CPAs AND ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Meriwether Healthcare, LLC
D/B/A Warm Springs Medical Center
Warm Springs, Georgia 31830

Opinion

We have audited the accompanying financial statements of Meriwether Healthcare, LLC d/b/a Warm Springs Medical Center (a Georgia partnership), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of Meriwether Healthcare, LLC d/b/a Warm Springs Medical Center as of December 31, 2025, and the changes in its net assets and its cash flows for the year 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Meriwether Healthcare, LLC d/b/a Warm Springs Medical Center 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 opinions.

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 Meriwether Healthcare, LLC d/b/a Warm Springs Medical Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the 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 generally accepted 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Meriwether Healthcare, LLC d/b/a Warm Springs Medical Center'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 judgement, there are conditions or events, considered in the aggregate, which raise substantial doubt about Meriwether Healthcare, LLC d/b/a Warm Springs Medical Center'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of operating expenses on page 13 and schedules of net patient service revenue on page 14 are presented for the purposes of additional analysis and are 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.

Cedar Hill CPA's and Advisors

Cataula, Georgia
May 21, 2026

MERIWETHER HEALTHCARE, LLC
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,253,626	$ 6,028,054
Patient accounts receivable, net of estimated uncollectible	2,096,463	2,041,639
Inventory	319,366	431,910
Total current assets	8,669,455	8,501,603
Property and equipment, net	2,468,089	2,639,391
Total assets	$ 11,137,544	$ 11,140,994
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 1,260,788	$ 1,501,291
Accrued liabilities	53,341	56,477
Other current liabilities	116,919	124,547
Total current liabilities	1,431,048	1,682,315
Other liabilities	1,043,205	1,034,137
Total liabilities	2,474,253	2,716,452
Net assets:		
Unrestricted	8,663,291	8,424,542
Total net assets	8,663,291	8,424,542
Total liabilities and net assets	$ 11,137,544	$ 11,140,994

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

MERIWETHER HEALTHCARE, LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Gross patient service revenue	$ 21,637,395	$ 23,207,544
Allowances:		
Indigent/charity care	(30,827)	(60,553)
Contractual allowances	(4,027,274)	(5,087,442)
Net patient service revenue	17,579,294	18,059,549
Other revenue:		
UPL/ICTF funds	1,944,771	853,893
Employee Retention Tax Credit	915,201	-
Miscellaneous operating revenues	114,373	40,011
Total other revenue	2,974,345	893,904
Total revenue	20,553,639	18,953,453
Expenses:		
Operating expenses	18,370,232	17,881,180
Depreciation and amortization	183,511	178,094
Interest	1,100	732
Provision for bad debts	1,323,389	1,773,139
Provider taxes	429,270	454,740
Other operating expenses	7,388	9,059
Total expenses	20,314,890	20,296,944
Operating income	238,749	(1,343,491)
Increase (decrease) in net assets	$ 238,749	$ (1,343,491)

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

MERIWETHER HEALTHCARE, LLC
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Balance at the beginning of the year	$ 8,424,542	$ 9,768,033
Excess of revenues over expenses (expenses over revenues)	238,749	(1,343,491)
Balance at the end of the year	$ 8,663,291	$ 8,424,542

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

MERIWETHER HEALTHCARE, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 238,749	$ (1,343,491)
Adjustments to reconcile to net cash (used by) provided by operating activities:		
Depreciation and amortization	183,511	178,094
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(54,824)	107,847
(Increase) decrease in inventory	112,544	32,168
(Increase) decrease in prepaid expenses	-	263,877
Increase (decrease) in accounts payable	(240,503)	(439,153)
Increase (decrease) in accrued liabilities	(3,136)	3,137
Increase (decrease) in other current liabilities	(7,628)	(408,486)
Increase (decrease) in other liabilities	9,068	-
Net cash (used by) provided by operating activities	237,781	(1,606,007)
Cash flows from investing activities:		
Purchase of fixed assets	(12,209)	(102,597)
Net cash (used by) provided by investing activities	(12,209)	(102,597)
Cash flows from financing activities:		
Repayment of long-term debt	-	(2,121)
Net cash (used by) provided by financing activities	-	(2,121)
Net increase (decrease) in cash and cash equivalents	225,572	(1,710,725)
Cash and cash equivalents, beginning of year	6,028,054	7,738,779
Cash and cash equivalents, end of year	$ 6,253,626	$ 6,028,054

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Meriwether Healthcare, LLC d/b/a Warm Springs Medical Center (the Hospital) operates as an acute care for-profit hospital and nursing home in Warm Springs, Georgia. Meriwether Healthcare, LLC is majority owned by Meriwether Health Properties, a non-profit organization that was formed when the Hospital Authority of Meriwether County transferred its assets into the non-profit entity.

A minority interest, initially set at 22.5%, in Meriwether Healthcare, LLC was purchased by a group of investors made up primarily of physicians, Pinnacle, LLC. Subsequent to purchase, a portion of the ownership interest was redeemed. In the years since the initial agreement, there was a stock swap whereby the Meriwether Health Properties obtained an additional 15% ownership from the physicians in exchange for the operating assets and business of Georgia Rehab and Imaging. The current level of ownership by parties other than Meriwether Health Properties is approximately 5%.

Accounting Standards – The Hospital follows accounting principles generally accepted in the United States of America ("GAAP") to ensure consistent reporting of its assets, liabilities and equity, results of operations, and cash flows. References to GAAP issued by the Financial Accounting Standards Board (FASB) are to the FASB Accounting Standards Codification, sometimes referred to as the "Codification" or "ASC".

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

Charity Care - The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the hospital does not pursue collection of amounts determined to qualify, they are not reported as revenues.

Income Taxes – For tax purposes, the Hospital is taxed as a partnership. As such, the Hospital is not liable for federal or state income taxes. The respective portion of taxable net income is allocated to the partners in accordance with ownership percentages. Therefore, no provision has been made in these financial statements.

The Hospital evaluates income tax positions judged to be uncertain. A loss contingency reserve is accrued if it is probable that the tax position will be challenged, it is probable that the future resolution of the challenge will confirm that a loss has been incurred, and the amount of such loss can be reasonably estimated. The Hospital has adopted all applicable accounting guidance related to *Accounting for Uncertainty in Income Taxes*. The Hospital is not subject to a tax review for years ending before 2021.

Patient Accounts Receivable - The Hospital uses the allowance method to report the expense of uncollectible accounts. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable

collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Net Patient Service Revenue - Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Upper Payment Limit – The Hospital participates in the Georgia Upper Payment Limit rate adjustment program (UPL) under which nursing homes and critical access eligible hospitals may contribute to the program and then later be reimbursed for care provided under the program. These funds are sometimes supplemented by federal funds. Net amounts received under the program are not included in net patient revenue but are reported as other revenue. These amounts are recognized on the cash basis, even though receipts subsequent to year end may relate to care provided during the previous year.

Inventories - Supplies are valued at lower of cost or market primarily using the first-in, first-out method of computing cost.

Cost of Borrowing - Any interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Deferred financing costs are amortized over the period the obligation is outstanding.

Property and Equipment - Property, plant and equipment are carried at cost. Depreciation, including amortization of capitalized leases is computed using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterment are capitalized. Deduction is made for retirements resulting from renewals or betterment.

Cash Equivalents & Short-Term Investments - Cash equivalents consist primarily of certificates of deposits with original maturities or 90 days or less. Certificates of deposits and other securities with original maturities over 90 days are classified as short-term investments. Cash equivalents and short-term investments are stated at cost, which approximates market value.

Recently Adopted Accounting Pronouncement – In June, 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses* (Topic 326), which introduces a new current expected credit loss (CECL) method for measuring credit losses on financial assets measured at amortized cost, replacing the previous incurred loss method that delays recognition until it is probable a loss has been incurred. The new guidance requires the immediate recognition of estimated credit losses that are expected to occur. The Hospital adopted the new guidance effective January 1, 2024. Adoption of the standard did not have a significant impact to the financial statements.

Subsequent Events – Subsequent events have been evaluated by management through May 21, 2026, which is the date that the financial statements were available to be issued.

Reclassifications - Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

2. CONCENTRATIONS OF CREDIT RISK

The Hospital provides services to residents of West-Central Georgia, primarily Meriwether, Talbot and Harris counties. Payors include Medicare, Medicaid, private insurance and individuals. The Hospital maintains bank accounts at local financial institutions insured by the FDIC. At certain points during the year, those bank balances exceeded FDIC insured limits.

3. PATIENT ACCOUNTS RECEIVABLE

Patients accounts receivable consist of:

	2025	2024
Balances due on patient accounts	$ 3,482,391	$ 3,709,258
Less:		
Estimated contractual adjustments	(662,543)	(732,312)
Allowance for doubtful accounts	(723,385)	(935,307)
Net patient accounts receivable	$ 2,096,463	$ 2,041,639

4. NET PATIENT SERVICE REVENUE

Net patient service revenue is reported at the amount that reflects the consideration to which the Hospital expects to be entitled for providing patient care. These amounts are due from patients, third-party payors, and others and include variable consideration for retroactive revenue adjustments due to settlement of reviews and audits. Certain net patient service revenues received are subject to retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Thus, there is at least a reasonable possibility that recorded estimates may change by a material amount in the near term. Generally, the Hospital bills patients and third-party payors several days after the services are performed or shortly after discharge. Revenue is recognized as performance obligations are satisfied. Accounts receivable deemed uncollectable due to payor credit issues are charged against the allowance for credit losses when identified.

Performance obligations are determined based on the nature of the services provided. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges. The Hospital believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligations based on the inputs needed to satisfy the obligation. Generally, performance obligations are satisfied over time related to patients receiving inpatient acute care services.

The Hospital measures the performance obligations from admission into the hospital 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. Revenue for performance obligations satisfied at a point in time is recognized when services are provided, and the Hospital does not believe it is required to provide additional services to the patient.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Hospital has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(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 unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services 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.

The transaction price is based on standard charges for services provided to patients, reduced by applicable contractual adjustments, discounts to under and uninsured patients, and implicit pricing concessions. The estimates of contractual adjustments and discounts are based on contractual agreements, discount policy, and historical collection experience. The Hospital reports accounts receivable net of estimated pricing concessions and any allowance for credit losses. The process for estimating the ultimate collectability of receivables involves historical collection experience, changes in contracts with payors, aging behaviors of receivables, and future market and economic conditions.

The Hospital has elected to apply the practical expedient allowed under FASB ASC 606-10-10-4 for applying to a portfolio of contracts with similar characteristics. The Hospital 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 inpatient revenue and outpatient revenue. Based on historical collection trends and other analysis, the Hospital has concluded that revenue for a given portfolio would not be materially different than if accounting for revenue on a contract-by-contract basis.

The Hospital has elected to apply the practical expedient allowed under FASB ASC 606-10-32-18 for the financing component, as the period of time between the service being provided and the time that the patient pays for service is typically one year or less.

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

• *Medicare.* The Hospital has been designated a Critical Access Hospital (CAH). Payment for acute care inpatient and outpatient services of a CAH is made using the reimbursement method for the reasonable costs of providing the services. The Hospital is reimbursed for cost reimbursable items with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

• *Medicaid.* Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audited thereof by the Medicaid fiscal intermediary.

5. PROPERTY AND EQUIPMENT

A summary of property and equipment follows:

	2025	2024
Land and land improvements	$ 88,998	$ 88,998
Buildings	9,766,144	9,753,935
Fixed equipment	682,621	682,621
Moveable equipment	5,763,004	5,763,004
	16,300,767	16,288,558
Less accumulated depreciation & amortization	(13,832,678)	(13,649,167)
	$ 2,468,089	$ 2,639,391

6. LINE OF CREDIT

The Hospital has obtained a line of credit with a local bank that allows for loan proceeds up to $800,000. Outstanding principal, along with interest at a rate of 4.65% is due and payable on December 1, 2025. Subsequent to year end, the line was renewed for an additional year and the adjusted maturity date is now March 2, 2027. The balance on the line of credit was $0 and $0 at December 31, 2025, and 2024, respectively.

7. CONTINGENCIES

In the normal course of the Hospital's business, malpractice claims are outstanding. Claims are in various stages of processing and may ultimately be actively asserted by claimants. Incidents occurring through December 31, 2025, may result in the assertion of additional claims and other claims may be asserted arising from past services provided. In the opinion of management, insurance coverage is adequate to cover any anticipated losses; therefore, no estimate of loss if any is determinable.

In recent years, there has been increasing pressure on Congress and some state legislatures to control and reduce the cost of healthcare on the national or at the state level. In 2010, legislation was enacted which included cost controls on hospitals, insurance market reforms, delivery system reforms, and various individual and business mandates among other provisions. The costs of certain provisions were funded in part by reductions in payments by government programs, including Medicare and Medicaid. There can be no assurance that these, or any future changes, will not adversely affect the Hospital.

MERIWETHER HEALTHCARE, LLC
SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Salaries and wages	$ 6,664,045	$ 5,879,413
Contract labor	4,235,665	4,589,771
Dues and subscriptions	56,721	61,954
Insurance	1,086,555	1,258,628
Legal and professional	75,237	56,288
Minor equipment	-	970
Miscellaneous	140,060	119,344
Oil and gas	36,551	29,514
Other fees	968,211	1,030,026
Payroll taxes	498,293	472,671
Physician fees	1,755,520	1,743,448
Postage and freight	26,501	32,373
Rental expenses	385,098	510,412
Repairs and maintenance	487,053	383,343
Supplies	1,587,534	1,546,301
Travel and education	7,327	8,998
Utilities	359,861	157,726
Total operating expenses	$ 18,370,232	$ 17,881,180

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

MERIWETHER HEALTHCARE, LLC
SCHEDULES OF NET PATIENT SERVICE REVENUE
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Revenues:		
Inpatient revenue	$ 7,212,349	$ 7,515,728
Swing bed revenue	5,489,211	5,513,184
Inpatient self-pay revenue	44,360	63,724
Outpatient revenue	2,400,292	3,634,553
Outpatient self-pay revenue	-	(14,848)
ER revenue	5,929,517	6,064,110
ER self-pay revenue	-	9,924
Rural health clinic revenue	560,196	419,400
Health rec and abstract fee	1,470	1,769
Total revenue	21,637,395	23,207,544
Allowances:		
Indigent/charity care	(30,827)	(60,553)
Other contractual allowances	(4,027,274)	(5,087,442)
Total allowances	(4,058,101)	(5,147,995)
Net patient service revenue	$ 17,579,294	$ 18,059,549

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