Voorhees Pediatric Center Associates

HUD Project No. 035-22044

Independent Auditor's Report, Financial Statements, and Supplementary Information

December 31, 2025

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
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December 31, 2025

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Independent Auditor's Report

Partners
Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Fort Lauderdale, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Voorhees Pediatric Center Associates (the "Partnership") which comprise the balance sheet as of December 31, 2025, and the related statements of income, changes in partners' deficit, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Partnership, as of December 31, 2025, and the results of its operations 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*. 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 the Partnership, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the Partnership'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 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 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 financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 the Partnership'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 the Partnership'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 Financial Data Templates presented on the regulatory basis of accounting, as required by the U.S. Department of Housing and Urban Development, listed in the table of contents are presented for 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026, on our consideration of the Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Partnership'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 Partnership's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Fort Lauderdale, Florida
March 31, 2026

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Balance Sheet
December 31, 2025

ASSETS		
Current Assets		
Cash	$	165,632
Investments held by others		1,828,145
Prepaid expenses		45,682
Assets whose use is limited		79,944
Other Receivables		15,016
Total Current Assets		2,134,419
Assets Whose Use is Limited, Net of Current Portion		146,652
Due From Affiliate		9,183
Property and Equipment, Net		2,605,795
Total Assets	$	4,896,049
LIABILITIES AND PARTNERS' DEFICIT		
Current Liabilities		
Accounts payable and accrued expenses	$	35,564
Accrued interest		20,752
Mortgage payable, net		298,724
Total Current Liabilities		355,040
Mortgage Payable, Net, Less Current Portion		7,340,206
Total Liabilities		7,695,246
Partners' Deficit		(2,799,197)
Total Liabilities and Partners' Deficit	$	4,896,049

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Statement of Income
Year Ended December 31, 2025

Operating Revenue		
Rental revenue - related party	$	1,127,874
Operating Expenses		
Interest		242,226
Depreciation		381,822
Real estate taxes		302,780
Property and mortgage insurance		95,906
General and administrative		74,822
Total Operating Expenses		1,097,556
Income From Operations		30,318
Non-Operating Income		
Interest and dividend income		116,201
Realized gain on investments		20,056
Unrealized gain on investments		27,910
Net Income	$	194,485

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Statement of Changes in Partners' Deficit
Year Ended December 31, 2025

Partners' Deficit, Beginning of Year	$	(109,738)
Net income		194,485
Distributions to Partners		(2,883,944)
Partners' Deficit, End of Year	$	(2,799,197)

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Statement of Cash Flows
Year Ended December 31, 2025

Operating Activities		
Cash received from rental revenue - related party	$	1,127,874
Cash received for interest and dividends		116,201
Cash received from related party		1,454,955
Cash paid for interest		(254,290)
Cash paid for property and mortgage insurance		(110,111)
Cash paid for real estate taxes		(302,780)
Cash paid for general and administrative		(64,862)
Net Cash Provided by Operating Activities		1,966,987
Investing Activities		
Purchase of property and equipment		(298,349)
Principal payments received on notes receivable		2,260,821
Proceeds from the sale of investments		150,725
Purchase of investments		(1,107,301)
Net change in assets whose use is limited		18,157
Net Cash Provided by Investing Activities		1,024,053
Financing Activities		
Payments on mortgage payable		(288,897)
Distributions to partners		(2,883,944)
Net Cash Used in Financing Activities		(3,172,841)
Net Change in Cash and Restricted Cash		(181,801)
Cash and Restricted Cash, Beginning of Year		494,085
Cash and Restricted Cash, End of Year	$	312,284
Cash	$	165,632
Restricted cash included in assets whose use is limited		146,652
Total Cash and Restricted Cash, End of Year	$	312,284

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Statement of Cash Flows
Year Ended December 31, 2025

(Continued)

Reconciliation of Net Income to Net Cash Provided by Operating Activities		
Net income	$	194,485
Reconciliation of net income to net cash provided by operating activities		
Depreciation		381,822
Amortization of deferred loan costs and accretion of interest rate premium		(11,258)
Unrealized loss on investments		(27,910)
Realized gain on investments		(20,056)
Changes in operating assets and liabilities:		
Prepaid expenses		811
Due from affiliate		1,454,955
Accounts payable and accrued expenses		9,960
Other Receivables		(15,016)
Accrued interest		(806)
Net Cash Provided by Operating Activities	$	1,966,987

Note 1. Nature of the Organization and Summary of Significant Accounting Policies

Nature of the Organization

Voorhees Pediatric Center Associates (the "Partnership"), a New Jersey limited partnership, was formed in 1985 to construct, own, and operate a pediatric long-term care facility located in Voorhees, New Jersey (the "Facility"). The Partnership operated the Facility through August 31, 2005, when ForKidCare, LLC (the "Operator") acquired the license to operate the 119-bed facility and the 27-slot pediatric medical day care center. The Operator entered into an agreement dated August 31, 2005, to lease the building and equipment from the Partnership. The entities are related through common ownership. The Partnership has obtained financing through the U.S. Department of Housing and Urban Development (HUD) under Section 232 of the National Housing Act. The loan agreement with HUD requires the Partnership to comply with certain regulatory requirements including maintenance of a property tax and insurance escrow deposit and a reserve for replacements.

Use of Estimates

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

Property and Equipment

Property and equipment are stated at cost. It is the Partnership's policy to capitalize property and equipment over $500 in value; lesser amounts are expensed. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method for the various classes of assets shown below:

Building and improvements	5–40 years
Furniture and equipment	3–20 years

Long-Lived Asset Impairment

The Partnership evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value, and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the year ended December 31, 2025.

Deferred Loan Costs

Costs incurred in connection with long-term financing are deferred and amortized on a straight-line basis over the term of the borrowing. Amortization is included in interest expense on the statement of income (see Note 5).

Deferred Interest Rate Premium

The deferred interest rate premium relates to pre-payment penalty costs and other administrative costs paid on behalf of the Partnership by the lender for a loan modification on the mortgage payable. These payments were made in return for a premium interest rate charged on the modified mortgage payable. The deferred interest rate premium is being amortized over the term of the loan as an offset to interest expense on the statement of income (see Note 5).

Rental Revenue

Rental revenue represents the amount charged to the Operator for its lease of the Facility and is recognized monthly when earned. The rental amount is adjusted periodically so that it covers the Partnership's holding cost of the Facility, which includes debt service, real estate taxes, and property and mortgage insurance.

Investment Return

The Partnership has a 61.73% interest in a pooled centralized investment fund with other entities related through common ownership. Earnings, gains, and losses are allocated to each entity according to its computed ownership percentage of the fund. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents.

Income Taxes

The Partnership is not directly subject to income taxes under the provisions of the Internal Revenue Code and applicable state laws. Therefore, taxable income or loss is reported to the individual partners for inclusion in their tax return and no provision for federal and state income taxes has been included in the accompanying financial statements.

Subsequent Events

The Partnership has evaluated subsequent events for reporting and disclosure through March 31, 2026, which is the date the financial statements were available to be issued.

Note 2. Investments

The fair value of financial instruments is presented based upon a hierarchy of levels that prioritize the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The three levels of the fair value hierarchy are described below:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs, other than quoted prices in active markets within Level 1, that are either directly or indirectly observable.

Level 3 Significant, unobservable inputs for valuing the asset or liability, in which little or no market data exists.

The following table presents the fair value measurements of investments by level as of December 31, 2025:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments held by others	$ 1,828,145	$ -	$ -	$ 1,828,145

Investments held by others have been valued using a market approach. Valuation techniques utilized to determine fair value are consistently applied. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Transfers to and from Level 3 and the reasons for those transfers are as follows:

	Significant Unobserv-able Inputs (Level 3)
Purchases	$ 1,107,301
Sales	(150,725)
Transfers in and/or out of Level 3	$ 956,576

Note 3. Assets Whose Use is Limited

As a result of the mortgage note and the U.S. Department of Housing and Urban Development ("HUD") insured mortgage requirements, the Partnership is required to establish and maintain certain interest-bearing cash escrow funds for mortgage-related expenses. The escrow deposits for payment of future mortgage insurance premiums, property and liability insurance premiums, and real estate taxes are held in trust by the mortgage lender; accordingly, the Partnership does not classify these escrow deposit cash balances as cash and restricted cash when preparing its statement of cash flows. The escrow accounts require monthly deposits as determined by the lender. The real estate tax escrow, insurance escrow, and mortgage insurance premium escrow are classified as current in the accompanying balance sheet.

The reserve for replacements was established under an agreement with HUD for the purpose of repairing and replacing project assets. Additions to this account consist of monthly deposits from operations of approximately $5,700 and interest earnings on the funds. Disbursements from the reserve for replacements fund can only be made with the approval of HUD and are considered restricted in nature. Reserve for replacements are considered restricted cash.

Assets whose use is limited by provisions of the Partnership's borrowing arrangements (see Note 5) are summarized as follows at December 31, 2025:

Reserve for replacements	$ 146,652
Insurance escrow	26,983
Mortgage insurance premium escrow	33,337
Real estate tax escrow	19,624
	226,596
Current portion	(79,944)
Total long-term portion	$ 146,652

Note 4. Property and Equipment, Net

Property and equipment, net, consists of the following at December 31, 2025:

Land and improvements	$ 686,860
Building and improvements	10,778,870
Furniture and equipment	5,671,836
	17,137,566
Accumulated depreciation	(14,551,771)
	2,585,795
Construction in progress	20,000
Total property and equipment, net	$ 2,605,795

Depreciation expense on property and equipment was approximately $382,000 for the year ended December 31, 2025. Construction in progress as of December 31, 2025 is related to installation of a water heater that is expected to be completed by the end of 2026.

Note 5. Mortgage Payable, Net

Mortgage payable, net, consists of the following at December 31, 2025:

Mortgage payable to a financial institution insured by HUD under Section 232 of the National Housing Act, incurring interest at 3.35% per annum, is due in monthly principal and interest installments of $45,266, matures April 1, 2044, and is collateralized by the Partnership's property and equipment	$ 7,433,472
Unamortized deferred loan costs	(145,962)
Unamortized deferred interest rate premium	351,420
Current portion	(298,724)
Mortgage payable, net, less current portion	$ 7,340,206

Principal maturities of the mortgage payable as of December 31, 2025 are as follows as of :

2026	$ 298,724
2027	308,887
2028	319,395
2029	330,260
2030	341,495
Thereafter	5,834,711
	$ 7,433,472

In connection with the HUD-insured mortgage, the Partnership entered into an agreement with HUD whereby the operation and activities of the Facility are subject to HUD's regulation and oversight. This includes, but is not limited to, the maintenance of certain reserve accounts, reporting requirements to HUD, and restrictions on the amount and timing of the distribution of funds to the Partnership's partners and affiliates.

The amortization expense of deferred loan costs for the year ended December 31, 2025 was approximately $8,000. Accumulated amortization of deferred loan costs as of December 31, 2025 was approximately $87,000.

In October 2019, the Partnership modified the existing mortgage payable to reduce the interest rate to 3.35%. In connection with the modification, the lender paid approximately $470,000 in return for a premium interest rate charged on the mortgage payable. The deferred interest rate premium of approximately $470,000 is being amortized as an offset to interest expense in the statement of income over the term of the loan. Amortization of the deferred interest rate premium for the year ended December 31, 2025 approximated $19,000. Accumulated amortization of the deferred interest rate premium as of December 31, 2025 amounted to approximately $119,000.

Note 6. Related-Party Transactions

Due from Affiliate

Balances due from affiliate represent advances paid to the Operator. This receivable amounted to approximately $9,000 as of December 31, 2025, and is noninterest-bearing and has no specified repayment dates.

Notes Receivable

The Partnership and the Operator (collectively, the "Investment Group") have a 100% interest in a pooled investment fund (see Note 2). On August 31, 2023, the Investment Group liquidated a portion of their investment and transferred the funds to Pinecrest Limited Partnership and Tamarac Associates, LLC (the "Borrowers"), former related parties through similar ownership who were sold to an unrelated third-party in August 2025. In exchange for this transfer, the Investment Group received a related party note receivable from each company. The Borrowers fully repaid the outstanding principal when they were sold to the unrelated party in August 2025.

Finance and Consulting Services

The Partnership incurred approximately $34,000 for finance and consulting services provided by a related-party entity during the year ended December 31, 2025. These amounts are included in general and administrative expense on the statement of income.

Rental Revenue - Related Party

The Partnership entered into an amended and restated lease agreement with the Operator dated August 31, 2005 ("Operator Lease") and further amended by a HUD addendum to the operating lease dated March 1, 2014. The amended lease has a term expiring on August 31, 2030, and thereafter the lease automatically renews for successive terms of five years, which renewal terms are subject to termination by either party upon 30 days' notice. The HUD Addendum requires that the Partnership and the Operator comply with all program obligations; that they pledge the Operator Lease as collateral to the lender and HUD as security for the loan; and that the Operator Lease be subordinated to the loan documents. The minimum monthly lease obligations are subject to escalation clauses and intended to cover the Partnership's holding cost of the Facility and can be modified by the Partnership, as necessary. Rental revenue amounted to approximately $1,128,000 for the year ended December 31, 2025.

The future minimum noncancelable annual payments due under the lease agreement for the remaining years under contract as of December 31, 2025 are approximately as follows:

2026	$ 1,089,000
2027	1,096,000
2028	1,103,000
2029	1,111,000
2030	1,059,000
	$ 5,458,000

Note 7. Concentrations of Risk and Contingencies

Credit Risk

Substantially all of the Partnership's revenue is derived from rental income from its lease with the Operator, a related entity. Financial instruments that potentially subject the Partnership to concentrations of credit risk principally consist of cash, assets whose use is limited, and investments. The Partnership maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits provided by the Federal Deposit Insurance Corporation ("FDIC") of $250,000. As a result, there is a concentration of credit risk related to amounts in excess of FDIC coverage. As of December 31, 2025, the Company had no cash in excess of FDIC limits. The Company does not believe the risk is significant because the Company does not anticipate the financial institution's non-performance. The Company has not incurred any losses on their cash accounts.

Medicare and Medicaid Programs and Health Care Reform

During 2025, the majority of the Operator's resident service revenue resulted from reimbursement from the Medicare and Medicaid programs. Laws and regulations governing these programs are complex and are subject to interpretation. Management of the Partnership is not aware of any pending or threatened investigations involving allegations of potential wrongdoing by the Operator. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future governmental review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the reimbursement policies of the Medicaid and Medicare programs, as a result of legislative and regulatory actions, could adversely affect the revenues of the Operator and its ability to make lease payments to the Partnership.

The Partnership is economically dependent on the ability of the Operator to continue to make the required rent payments.

HUD Regulation and Oversight

In connection with its participation in the HUD program, the Partnership is subject to regulation and oversight by HUD.

The Partnership is required by HUD to set aside specified amounts for the replacement and repair of building, equipment, and other expenditures. These restricted funds are held in trust by the mortgage lender, and the Partnership must obtain HUD approval of their use.

Additionally, HUD places limitations on distributions that the Partnership can make to its Partners.

Note 8. Allowable Distributions to Partners

Under the regulatory agreement for Section 232 projects, distributions to the partners from funds provided by operations of the Facility are allowed, provided: (1) surplus cash, as defined by HUD, is available for such purposes; (2) the project is in compliance with all outstanding notices of requirements for proper maintenance; and (3) there is no default under the regulatory agreement or under the mortgage note. The surplus cash as of December 31, 2025 was approximately $109,000.

Supplementary Information

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Balance Sheet Data
December 31, 2025

Current Assets			
1120	Cash - operations	$	165,632
1190	Miscellaneous current assets		15,016
1200	Prepaid expenses		45,682
1100T	**Total Current Assets**		226,330
Restricted Deposits and Funded Reserves			
1310	Escrow deposits		79,944
1320	Replacement reserve		146,652
1300T	**Total Deposits**		226,596
Fixed Assets			
1410	Land		686,860
1420	Buildings		10,778,870
1465	Office furniture and equipment		5,671,836
1490	Miscellaneous fixed assets		20,000
1400T	**Total Fixed Assets**		17,157,566
1495	Accumulated depreciation		(14,551,771)
1400N	**Net Fixed Assets**		2,605,795
1510	Investments – operations		1,828,145
1590	Miscellaneous other assets		9,183
1500T	**Total Other Assets**		1,837,328
1000T	**Total Assets**	$	4,896,049
Current Liabilities			
2110	Accounts Payable - Operations	$	35,564
2131	Accrued interest payable – first mortgage		20,752
2170	Mortgage Payable - first mortgage (Short Term)		298,724
2122T	**Total Current Liabilities**		355,040
Long-term Liabilities			
2320	Mortgage payable - first mortgage		7,340,206
2300T	**Total Long Term Liabilities**		7,340,206
2000T	**Total Liabilities**		7,695,246
3130	**Total Deficit**		(2,799,197)
2033T	**Total Liabilities and Equity**	$	4,896,049

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Statement of Income Data
Year Ended December 31, 2025

Revenues			
	5195	Lease Revenue (nursing home)	$ 1,127,874
	5100T	**Total rent revenue**	1,127,874
	5152N	**Net Revenue**	1,127,874
	5490	Revenue from investments - miscellaneous	164,167
	5400T	**Total financial revenue**	164,167
	5000T	**Total Revenue**	1,292,041
Expenses			
	6390	Miscellaneous administrative expenses	74,822
	6263T	**Total Administrative Expenses**	74,822
	6710	Real Estate Taxes	302,780
	6720	Property and liability insurance (Hazard)	95,906
	6700T	**Total Taxes and Insurance**	398,686
	6820	Interest on first Mortgage payable	242,226
	6800T	**Total Financial Expenses**	242,226
	6000T	**Total Cost of Operations before Depreciation**	715,734
	5060T	**Profit before Depreciation**	576,307
	6600	Depreciation expense	381,822
	5060N	**Operating Profit**	$ 194,485

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Statement of Cash Flows Data
Year Ended December 31, 2025

Cash Flows from Operating Activities:			
S1200-010	Rental Receipts	$	1,127,874
S1200-020	Interest Receipts		116,201
S1200-030	Other Operating Receipts		1,454,955
S1200-040	**Total Receipts**		2,699,030
S1200-050	Administrative		(64,862)
S1200-120	Real Estate Taxes		(302,780)
S1200-140	Property Insurance		(110,111)
S1200-180	Interest on First Mortgage		(254,290)
S1200-230	**Total Disbursements**		(732,043)
S1200-240	**Net Cash Provided by Operating Activities**		1,966,987
Cash Flows from Investing Activities:			
S1200-245	Net Deposits to the Mortgage Escrow account		18,157
S1200-250	Net Deposits to Reserve for Replacement Account		(68,538)
S1200-310	Net Deposits to the Long Term Investment account		(956,576)
S1200-330	Net purchase of fixed assets		(298,349)
S1200-340	Other Investing Activities		2,260,821
S1200-350	**Net Cash Provided by Investing Activities**		955,515
Cash Flows from Financing Activities			
S1200-360	Principal Payments - First Mortgage		(288,897)
S1200-420	Distributions		(2,883,944)
S1200-460	**Net Cash Used in Financing Activities**		(3,172,841)
S1200-470	**Net Decrease in Cash**		(250,339)
S1200-480	**Beginning of Year Cash**		415,971
S1200T	**End of Year Cash**	$	165,632

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Statement of Cash Flows Data
Year Ended December 31, 2025 **(Continued)**

Reconciliation of Net Profit to Net Cash Provided by Operating Activities			
3250	Profit (Net Income)	$	194,485
Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities			
6600	Depreciation Expenses		381,822
S1200-486	Amortization of Debt Issuance Costs		(11,258)
S1200-520	Decrease (increase) in Prepaid Expenses		811
S1200-540	Increase (decrease) in Accounts Payable		9,960
S1200-570	Increase (decrease) in Accrued Interest Payable		(806)
S1200-600	Other Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities		1,391,973
S1200-610	**Net cash Provided by Operating Activities**	$	1,966,987

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Computation of Surplus Cash
Year Ended December 31, 2025

Computation of Surplus Cash - Annual		
Cash - operations	$	165,632
Current Obligations		
Accounts payable - 30 days		35,564
Accrued mortgage interest payable		20,752
Total Current Obligations		56,316
Surplus Cash	$	109,316
Computation of Surplus Cash - Mid-Year		
Cash - operations	$	358,143
Current Obligations		
Accounts payable - 30 days		21,720
Accrued mortgage interest payable		21,158
Total Current Obligations		42,878
Surplus Cash	$	315,265

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Schedule of Changes in Fixed Asset Accounts
Year Ended December 31, 2025

	Beginning Balance	Additions	Ending Balance
Land and improvements	$ 686,860	$ -	$ 686,860
Building and improvements	10,563,012	215,858	10,778,870
Furniture and equipment	5,609,345	62,491	5,671,836
Construction in progress	-	20,000	20,000
Total Fixed Assets	$ 16,859,217	$ 298,349	17,157,566
Accumulated Depreciation	$ 14,169,949	$ 381,822	14,551,771
Total Book Value			$ 2,605,795

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Schedule of Reserve for Replacement
Year Ended December 31, 2025

Balance, Beginning of Year	$	78,114
Total monthly deposits		67,884
Withdrawal (authorized by HUD)		-
Interest on replacement reserve accounts		654
Balance, End of Year	$	146,652

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Report on Internal Control Over Financial Reporting and Report on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Partners
Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Fort Lauderdale, Florida

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 (*Government Auditing Standards)*, the financial statements of Voorhees Pediatric Center Associates (the "Partnership"), which comprise the balance sheet as of December 31, 2025, and the related statements of income, changes in partners' deficit, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Partnership'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 Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of the Partnership'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 Partnership'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 Partnership'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 are 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 Partnership'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 Partnership's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Fort Lauderdale, Florida
March 31, 2026

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Report on Compliance for the Major HUD Program and Report on Internal Control Over Compliance Required by the *Consolidated Audit Guide for Audits of HUD Programs*

Independent Auditor's Report

Partners
Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Fort Lauderdale, Florida

Report on Compliance for Major HUD Program

Opinion on the Major HUD Program

We have audited Voorhees Pediatric Center Associates' (the "Partnership") compliance with the compliance requirements described in the C*onsolidated Audit Guide for Audits of HUD programs* (the audit guide) that could have a direct and material effect on the Partnership's major U.S Department of Housing and Urban Development ("HUD") program for the year ended December 31, 2025. The Partnership's major HUD program and related direct and material compliance requirements are as follows:

Name of Major HUD Programs	Direct and Material Compliance Requirements
Mortgage insured under Section 232 of the National Housing Act	• Annual Reporting of Financial Statements • Mortgage Status • Replacement Reserve • Distributions to Owners • Cash Receipts and Disbursements • Management Functions • Equity Skimming • Unauthorized Loans of Project Funds • Leased Nursing Homes

In our opinion, the Partnership complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major HUD program for the year ended December 31, 2025.

Basis for Opinion on the Major HUD Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit guide. Our responsibilities under those standards and the audit guide are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Partnership and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that our audit provides a reasonable basis for our opinion on compliance for the major HUD program. Our audit does not provide a legal determination of the Partnership's compliance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, rules and provisions of contracts or grant agreements applicable to its HUD program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Partnership's compliance based on our audit. 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, *Government Auditing Standards*, and the audit guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Partnership's compliance with the requirements of the major HUD program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the audit guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Partnership's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Partnership's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the audit guide. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

Fort Lauderdale, Florida
March 31, 2026

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Schedule of Findings, Questioned Costs, and Recommendations
December 31, 2025

Reference Number	Summary of Finding	Status

No matters reportable

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Schedule of the Status of Prior Audit Findings, Questioned Costs, and Recommendations
December 31, 2025

Reference Number	Summary of Finding	Status

No matters reportable

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Certification of Partners
December 31, 2025

I hereby certify that I have examined the financial statements and supplementary information for the year ended December 31, 2025, for Voorhees Pediatric Center Associates and, to the best of my knowledge and belief, the same are complete and accurate.

By: _____ _____

Andrew Weisman Date
President, BDW Corporation
The General Partner of Voorhees Pediatric Center Associates

Voorhees Pediatric Center Associates
HUD Project No. 035-22044
Certification of Managing Agent
December 31, 2025

There is no managing agent for this project.