ASBURY, INC.

FINANCIAL STATEMENTS AND ACCOMPANYING INFORMATION

YEARS ENDED DECEMBER 31, 2020 AND 2019

ASBURY, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

INDEPENDENT AUDITORS' REPORT

Board of Directors
Asbury, Inc.
Maryville, Tennessee

We have audited the accompanying financial statements of Asbury, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As discussed in Note 1 to the financial statements, the accompanying financial statements do not include the accounts of Forest Ridge Manor, Inc., a wholly owned affiliate of Asbury, Inc. In our opinion, accounting principles generally accepted in the United States of America require that all wholly owned affiliates under common control be accounted for within consolidated financial statements. If the accounts of Forest Ridge Manor, Inc. had been consolidated with those of Asbury, Inc., total assets and total liabilities would be increased by $2,520,767 and $3,462,233 as of December 31, 2020, respectively, and revenues and expenses would be increased by $258,085 and $204,051 for the year then ended, respectively. Also, if the accounts of Forest Ridge Manor, Inc. had been consolidated with those of Asbury, Inc., total assets and total liabilities would be increased by $2,655,940 and $3,471,942 as of December 31, 2019, respectively, and revenues and expenses would be increased by $243,586 and $296,563 for the year then ended, respectively.

Qualified Opinion

In our opinion, except for the effects of not consolidating Forest Ridge Manor, Inc., as discussed in the *Basis for Qualified Opinion Paragraph*, the financial statements referred to above present fairly, in all material respects, the financial position of Asbury, Inc. as of December 31, 2020 and 2019 and the results of its operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on Accompanying Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information as listed under “Accompanying Information” on the table of contents is presented for purposes of additional analysis of the financial statements rather than to present the financial position, results of operations, and cash flows of the individual locations, 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, except for the effects of not consolidating Forest Ridge Manor, Inc. as explained in the second preceding paragraph, the accompanying information is fairly stated in all material respects in relation the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
April 21, 2021

ASBURY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 895,834	$ 379,020
Investments	13,959,597	14,238,649
Accounts Receivable, Net of Allowance for Doubtful Accounts of $588,752 and $449,463, at December 31, 2020 and 2019, Respectively	1,856,232	2,072,723
Other Receivables and Prepaid Expenses	654,243	366,920
Investments Held under Bond Indenture	577,625	577,625
Total Current Assets	17,943,531	17,634,937
Due from ACOMM, Net	2,651,088	-
Property, Plant, and Equipment, Net	57,837,197	60,741,221
Right-Of-Use Assets - Operating Leases	260,318	349,767
Investments Restricted by Donors	53,391	53,391
Deposits and Other Assets	99,167	110,576
Other Intangible Assets	5,480,000	5,480,000
Valuation of Derivative Instrument	-	3,631
Investments Held under Bond Indenture	1,947,454	1,941,864
Beneficial Interest in Net Assets of Foundation	12,899	5,565
Total Assets	$ 86,285,045	$ 86,320,952

See accompanying Notes to Financial Statements.

ASBURY, INC.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2020 AND 2019

	2020	2019
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 961,988	$ 767,160
Accrued Compensation and Related Items	610,331	1,229,278
Accrued Interest Payable	632,539	629,720
Deposits from Prospective Residents	114,110	153,279
Entrance Fees - Refundable	1,365,871	479,250
Deferred Revenue	144,412	75,911
Current Portion of Long-Term Debt	4,683,681	1,371,550
Current Portion of Lease Liabilities - Operating Leases	86,575	89,450
Total Current Liabilities	8,599,507	4,795,598
Due to ACOMM, Net	-	980,712
Long-Term Lease Liabilities - Operating Leases	173,743	260,317
Long-Term Debt, Net	39,705,098	41,144,504
Contingent Refundable Entrance Fee Liability	27,803,233	28,366,571
Entrance Fees - Deferred Revenue	4,308,206	4,357,304
Valuation of Derivative Instrument	40,953	-
Total Liabilities	80,630,740	79,905,006
NET ASSETS		
Without Donor Restrictions	5,457,298	6,206,237
With Donor Restrictions	197,007	209,709
Total Net Assets	5,654,305	6,415,946
Total Liabilities and Net Assets	$ 86,285,045	$ 86,320,952

See accompanying Notes to Financial Statements.

ASBURY, INC.
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
OPERATING REVENUES		
Net Resident Service Revenue	$ 32,178,482	$ 31,315,875
Other Operating Revenue	3,016,297	236,799
Amortization of Entrance Fees	933,512	619,998
Interest and Dividend Income, Net	488,366	573,467
Net Realized Gain (Loss) on Investments	(307,914)	102,214
Net Unrealized Gain on Equity Security Investments	1,625,935	1,148,347
Contributions	-	16,450
Net Assets Released from Restrictions	20,037	22,641
Allocations from Asbury Foundation, Inc.	49,671	21,709
Total Operating Revenues	38,004,386	34,057,500
OPERATING EXPENSES		
Salaries and Wages	15,368,952	14,214,537
Employee Benefits	2,685,686	3,445,254
Contract Labor	6,130,546	5,075,075
Food Purchases	1,723,410	1,601,099
Medical Supplies and Other Resident Costs	3,571,741	1,844,260
General and Administrative	1,027,220	1,137,299
Building and Maintenance	3,666,315	3,404,881
Professional Fees and Insurance	669,968	558,749
Interest	1,643,381	1,877,561
Taxes	1,498,259	1,693,763
Provision for Bad Debts	567,729	313,013
Depreciation and Amortization	4,035,959	4,125,670
Management and Other Fees	2,367	39,401
Total Operating Expenses	42,591,533	39,330,562
LOSS FROM OPERATIONS PRIOR TO NET UNREALIZED LOSS ON CHANGE IN MARKET VALUE OF DERIVATIVE INSTRUMENT	(4,587,147)	(5,273,062)
Net Unrealized Loss on Change in Market Value of Derivative Instrument	(44,584)	(69,990)
LOSS FROM OPERATIONS	(4,631,731)	(5,343,052)
Net Unrealized Gain (Loss) on Fixed Income Securities and Other Investments	(47,208)	172,599
Transfers from ACOMM	3,930,000	-
Net Assets Released from Restrictions Used for Purchases of Capital Items	-	1,107
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	$ (748,939)	$ (5,169,346)

See accompanying Notes to Financial Statements.

ASBURY, INC.
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	$ 7,335	$ 8,710
Net Assets Released from Restrictions for Operations	(20,037)	(22,641)
Net Assets Released from Restrictions for Purchases of Capital Items	-	(1,107)
Change in Net Assets With Donor Restrictions	(12,702)	(15,038)
CHANGES IN NET ASSETS	(761,641)	(5,184,384)
Net Assets - Beginning of Year	6,415,946	11,600,330
NET ASSETS - END OF YEAR	$ 5,654,305	$ 6,415,946

See accompanying Notes to Financial Statements.

ASBURY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Net Assets	$ (761,641)	$ (5,184,384)
Adjustments to Reconcile Decrease in Net Assets to Cash Used by Operating Activities:		
Net Unrealized Gains on Investments	(1,578,727)	(1,320,946)
Depreciation and Amortization	4,035,959	4,125,670
Amortization of Deferred Financing Costs	63,353	63,352
Amortization of Bond Premium	(89,979)	(89,978)
Provision for Bad Debts	567,729	313,013
Amortization of Entrance Fees	(933,512)	(619,998)
Change in Beneficial Interest in Net Assets of Foundation	(7,334)	(5,565)
Restricted Contributions Received	(7,335)	(8,710)
Net Unrealized Loss on Change in Market Value of Derivative Instrument	44,584	69,990
Net Proceeds from Nonrefundable Entrance Fees and Advance Fees	-	390,100
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(351,238)	(706,147)
Other Receivables and Prepaid Expenses	(287,323)	(178,004)
Deposits and Other Assets	11,409	48,222
Accounts Payable and Accrued Expenses	(424,120)	(28,770)
Accrued Interest Payable	2,819	(15,776)
Other Liabilities	(3,563,299)	(295,371)
Net Cash Used by Operating Activities	(3,278,655)	(3,443,302)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant, and Equipment	(1,131,935)	(1,612,733)
Sales (Purchases) of Investments, Net	1,857,779	(579,397)
Net Cash Provided (Used) by Investing Activities	725,844	(2,192,130)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Entrance and Advance Refundable Fees and Refundable Deposits	3,198,635	3,614,634
Refunds of Entrance and Advance Refundable Fees and Refundable Deposits	(2,030,106)	(1,245,761)
Restricted Contributions Received	7,335	8,710
Payments of Long-Term Debt	(1,371,549)	(1,360,016)
Paycheck Protection Program Loan Proceeds	3,270,900	-
Net Cash Provided by Financing Activities	3,075,215	1,017,567
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	522,404	(4,617,865)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	2,898,509	7,516,374
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 3,420,913	$ 2,898,509
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 1,667,188	$ 1,919,963

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

Asbury, Inc. (the Company) was organized to provide housing and continuing care services to seniors. At December 31, 2020 and 2019, the Company operates two continuing-care retirement communities (CCRC) in Tennessee (Maryville and Kingsport). A CCRC consists of independent living, assisted living, and skilled-nursing units. A CCRC provides a continuum of care that includes housing, health care, and other related healthcare and lifestyle services to seniors. The Company also provides in-home services.

Effective August 1, 2016, Asbury Communities, Inc., a Maryland nonstock corporation headquartered in Frederick, Maryland (ACOMM), became the supporting organization to the Company pursuant to an Affiliation Agreement between the Company and ACOMM.

ACOMM serves as the supporting organization of Asbury Atlantic; Inverness Village, an Oklahoma nonprofit corporation (IV) (until the sale of substantially all of IV assets on October 31, 2019); Asbury, Inc. (Asbury Place) and Affiliate; Asbury Communities HCBS, Inc. (HCBS), and Albright Care Services and Subsidiary (Albright or ACS) (effective January 1, 2020). Asbury Atlantic has operating affiliates compromised of Asbury Methodist Village (AMV), Asbury Solomons, Inc. (AS), Bethany Village (BV), and Springhill (SH). ACOMM is the sole voting stockholder of The Asbury Group, Inc. (TAG). Additionally, ACOMM is the sole member of Asbury Foundation, Inc. (AFOUND).

The accompanying financial statements do not include the accounts of Forest Ridge Manor, Inc., a wholly owned affiliate of the Company. If the accounts of Forest Ridge Manor, Inc. had been consolidated with those of Asbury, Inc., total assets and total liabilities would be increased by $2,520,767 and $3,462,233 as of December 31, 2020, respectively, and revenues and expenses would be increased by $258,085 and $204,051 for the year then ended, respectively. Also, if the accounts of Forest Ridge Manor, Inc. had been consolidated with those of Asbury, Inc., total assets and total liabilities would be increased by $2,655,940 and $3,471,942 as of December 31, 2019, respectively, and revenues and expenses would be increased by $243,586 and $296,563 for the year then ended, respectively.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in accordance 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 disclosures 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.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents include amounts held in checking and savings accounts, money market accounts, and short-term certificates of deposit with original maturities of 90 days or less. Cash balances are principally uninsured and subject to normal credit risks. Cash and cash equivalents within funds identified as investments held under bond indenture are considered restricted in nature.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Restricted Cash (Continued)

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statements of cash flows at December 31.

	2020	2019
Cash	$ 895,834	$ 379,020
Restricted Cash Included in Current Investments Held Under Bond Indenture	577,625	577,625
Restricted Cash Included in Long-Term Investments Held under Bond Indenture	1,947,454	1,941,864
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statements of Cash Flows	$ 3,420,913	$ 2,898,509

Accounts Receivable

The Company's policy is to write off all resident accounts that have been identified as uncollectible. An allowance for doubtful accounts is recorded for accounts not yet written off, which are estimated to become uncollectible in future periods.

Under the Medicare and Medicaid reimbursement and other third-party agreements, amounts collected for services to patients under these agreements are computed at contractually agreed-upon rates. Accounts receivable have been adjusted to reflect the difference between charges and the reimbursable amounts under these third-party contracts. Revenues from Medicare and Medicaid programs and other third-party agreements accounted for approximately 45% and 44% of the Company's total net resident service revenues for the years ended December 31, 2020 and 2019, respectively.

Investments and Investment Income

Investments are comprised of equity securities or equity mutual funds, bonds or bond mutual funds and cash. The equity securities and the related unrealized gains or losses are recorded above loss from operations. The fixed income securities and other types of investments and their unrealized gains or losses are recorded below loss from operations. The investments are managed by an investment advisor. In addition, investments held under bond indenture with trustees are high-grade income securities.

If market quotations are not readily available for a security or if subsequent events suggest that a market quotation is not reliable, the funds will use the security's fair value, using consistently applied procedures established by and under the general supervision of the funds' manager. This generally means that equity securities and fixed income securities listed and traded principally on any national securities exchange are valued on the basis of the last sale price or, lacking any sales, at the closing bid price, on the primary exchange on which the security is traded. The funds' manager may involve subjective judgments as to the fair value of securities. The use of fair value pricing by the funds may cause the net asset value of fund units to differ significantly from the net asset value that would be calculated using current market values.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Income (Continued)

Accordingly, valuations do not necessarily represent the amounts that might be realized from sales or other dispositions of investments, nor do they reflect taxes or other expenses that might be incurred upon disposition. Mortgage loans held by the underlying funds have been valued on the basis of principal and interest payment terms discounted at currently prevailing interest rates for similar investments. Because of the inherent uncertainty of valuations of the investments held by the underlying funds, their estimated values may differ significantly from the values that would have been used had a ready market for these investments existed, and the differences could be material.

The portion of investments that is available to fund current operating activities is included in current assets in the accompanying statements of financial position. Donated investments are reported at their fair values at date of receipt.

Investment income or loss from equity securities, mutual funds, and bonds includes interest and dividends, net of investment management fees; realized gains and losses on investments, unrealized gains and losses on equity security investments; and any provision for other-than-temporary impairment of investments and are included in loss from operations. Investment income or loss is included in loss from operations unless restricted by donor or law. Unrealized gains and losses on fixed income securities and other investments with readily determinable market values are excluded from loss from operations unless the losses are deemed to be other-than-temporary.

The Company periodically evaluates whether any declines in the fair values of investments are other-than-temporary. This evaluation consists of a review of several factors, including but not limited to length of time and extent that a security has been in an unrealized loss position, the existence of an event that would impair the issuer’s future earnings potential, the near-term prospects for recovery of the market value of a security and the intent and ability of the Company to hold the security until the market value recovers. Declines in fair value below cost that are deemed to be other-than-temporary are recorded as realized losses in the accompanying statements of operations and changes in net assets.

The investment policy of the Company provides a balance of long-term growth and preservation of capital of the assets while managing a core segment of assets in a manner specifically designed to meet the ongoing capital requirements of the Company and other requirements specified under the terms of its financing agreements.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Company relies on an investment strategy that allocates its investments among a number of asset classes. These asset classes may include: domestic equity, domestic fixed income, international equity, cash equivalents, and other alternative strategies and products. The purpose of allocating among asset classes is to ensure the proper level of diversification to achieve the portfolio’s investment objectives. The Company believes that this investment strategy meets the Company’s long-term rate-of-return objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle. In order to ensure that the Company continues to meet its objectives, the Company has established rebalancing guidelines and established mechanisms for ongoing monitoring of performance and risk.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative Policy

The Company manages some of its exposure to interest rate volatility through use of an interest rate swap contract. This contract qualifies as a derivative financial instrument. The book value of the derivative instrument is adjusted to the estimated fair value at each balance sheet date. The Company has determined that, for continuing operations, the derivative does not meet the criteria for hedge accounting and, therefore, the change in fair value of derivative instrument is included within the Company's performance indicator, loss from operations.

Beneficial Interest in Net Assets of Foundation

The Company records an interest in the net assets of Asbury Foundation, Inc. resulting from contributions with and without donor restrictions that are solicited and held by Asbury Foundation, Inc. to be used primarily for the benefit of the Company.

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets-operating lease and lease liability-operating leases, and finance leases are included in right-of-use (ROU) assets-financing and lease liability–financing, if any, in the statements of financial position.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Company has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Property and Equipment

Property and equipment are stated at cost. Donated property and equipment are recorded at fair market value at the date of the gift. Improvements that materially extend the useful lives of the assets are capitalized. General repairs and maintenance costs are expensed as incurred.

The Company capitalizes all expenditures for property and equipment costing $1,000 or more and having useful lives greater than two years.

Interest costs incurred on borrowed funds and deferred financing costs during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Expenses

The cost of advertising is expensed when incurred and included within the general and administrative financial statement line item within the statements of operations and changes in net assets. Advertising expense was $146,304 and $225,396 for the years ended December 31, 2020 and 2019, respectively.

Other Intangible Assets

The Company recorded $5,480,000 of intangible assets from the affiliation effective August 1, 2016 between ACOMM and the Company for the skilled nursing beds Certificate of Need. Intangible assets are recorded at their estimated fair market value and not subject to amortization. Management periodically assesses the fair value of its intangible assets and has not recorded any impairment since their origination.

Deposits from Prospective Residents

Deposits from prospective residents are refundable until such time as the prospective resident executes a residency agreement and pays the balance of the entrance fee. Interest earned on these deposits belongs to the Company.

Accrued Compensation and Related Items

The accrued compensation and related items include accruals as a result of having consolidated payroll and benefit functions and a reserve for the self-funding arrangement for workers' compensation insurance coverage prior to March 1, 2018.

Continuing-Care and Life Care Contracts

The Company offers continuing-care contracts to its residents. These contracts include residential facilities, meals and other amenities, as well as priority access to health care services.

The Company periodically reviews the present value of the net cost of future services and use of facilities to be provided to current residents under continuing care contracts and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with a corresponding charge to income. As a result of this calculation, the present value of the net cost of future services and use of facilities did not exceed deferred revenue from resident entrance fees; accordingly, no obligation was recorded for the years ended December 31, 2020 and 2019.

Resident Services Revenue

Resident services revenue is reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Company bills the residents and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Services Revenue (Continued)

Performance obligations are determined based on the nature of the services provided by the Company. Revenue for performance obligations satisfied over time is recognized based on actual charges. The Company believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Generally, performance obligations satisfied over time relate to residents in the facility receiving skilled nursing services or residents receiving services in the facility. The Company measures the performance obligation from admission into the facility, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the residents. The Company does not believe it is required to provide additional goods or services related to that sale.

The Company determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Company's policy and/or implicit price concessions provided to residents. The Company determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience. The Company determines its estimate of implicit price concessions based on its historical collection experience.

Entrance fees are paid by the resident upon entering into a continuing care contract in return for future services and the use of facilities. The Company offers Type B, 50% and 90% refundable entrance fee plans for its cottages and apartments at its Maryville and Kingsport-Baysmont locations. Previously, the contract provided for 60 days of nursing home care without additional daily nursing home charges. This provision was removed from the contract in April 2019; however, the existing contracts will need to be honored until all terminated through attrition. Residents benefit from immediate access to assisted living and nursing home care. Entrance fees under this plan are refundable upon contract termination and re-occupancy of the unit. The fees are recorded as refundable entrance fees and are not amortized.

The Kingsport-Baysmont location also offers a standard entrance fee plan for its apartments for which the refundable portion decreases 2% per month over a 50-month period.

The nonrefundable entrance fees are classified as deferred entrance fees and are recognized as revenue on a straight-line basis over each individual resident's expected remaining life (time-based measurement). Remaining life expectancies are determined based on current actuarial data specific to CCRC residents. Upon termination of a contract through death or withdrawal after occupancy, any unamortized, nonrefundable, deferred entrance fees is recorded as income.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Services Revenue (Continued)

A summary of net entrance fees is as follows at December 31:

	2020	2019
Entrance Fees - Refundable	$ 1,365,871	$ 479,250
Contingent Refundable Entrance Fee Liability	27,803,233	28,366,571
Entrance Fees - Deferred Revenue:		
50% to 90% Refundable Contracts	3,306,210	2,935,941
Standard Entry Fee Option Contracts:		
50 Month Contracts	1,001,996	1,421,363
Total Entrance Fees - Deferred Revenue	4,308,206	4,357,304
Total Entrance Fees	$ 33,477,310	$ 33,203,125

The Company has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, geography, service line, method of reimbursement, and timing of when revenue is recognized. Resident services revenue for the Company is provided at both campuses. The method of reimbursement is prospective payments and the timing of revenue recognition is health care services transferred over time.

The composition of resident services by primary payor for the years ended December 31:

	2020	2019
Medicaid	$ 6,849,827	$ 6,582,785
Medicare	7,508,313	7,120,840
Managed Care	250,890	91,037
Private Pay	17,569,452	17,521,213
Total Resident Services Revenue	$ 32,178,482	$ 31,315,875

Revenue from resident's deductibles and coinsurance are included in the categories presented above based on the primary payor.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Services Revenue (Continued)

The composition of net resident service revenue based on its service lines, method of reimbursement, and timing of revenue recognition are as follows for December 31:

	2020			
	Maryville	Kingsport	Asbury at Home	Asbury, Inc.
Service Lines:				
Skilled Nursing Facility	$ 13,503,546	$ 6,149,349	$ -	$ 19,652,895
Assisted Living	4,815,024	1,987,031	-	6,802,055
Independent Living	1,794,725	3,134,855	-	4,929,580
Home Care	-	-	689,477	689,477
Retail Sales	25,853	78,622	-	104,475
Total	$ 20,139,148	$ 11,349,857	$ 689,477	$ 32,178,482
Method of Reimbursement:				
Fee for Services	$ 20,113,295	$ 11,271,235	$ 689,477	$ 32,074,007
Retail Sales	25,853	78,622	-	104,475
Total	$ 20,139,148	$ 11,349,857	$ 689,477	$ 32,178,482
Timing of Revenue and Recognition:				
Health Care Services Transferred Over Time	$ 20,113,295	$ 11,271,235	$ 689,477	$ 32,074,007
Sales at Point in Time	25,853	78,622	-	104,475
Total	$ 20,139,148	$ 11,349,857	$ 689,477	$ 32,178,482

	2019			
	Maryville	Kingsport	Asbury at Home	Asbury, Inc.
Service Lines:				
Skilled Nursing Facility	$ 13,076,304	$ 6,531,039	$ -	$ 19,607,343
Assisted Living	3,764,396	1,924,331	-	5,688,727
Independent Living	1,864,461	3,427,941	-	5,292,402
Home Care	-	-	682,854	682,854
Retail Sales	34,915	9,634	-	44,549
Total	$ 18,740,076	$ 11,892,945	$ 682,854	$ 31,315,875
Method of Reimbursement:				
Fee for Services	$ 18,705,161	$ 11,883,311	$ 682,854	$ 31,271,326
Retail Sales	34,915	9,634	-	44,549
Total	$ 18,740,076	$ 11,892,945	$ 682,854	$ 31,315,875
Timing of Revenue and Recognition:				
Health Care Services Transferred Over Time	$ 18,705,161	$ 11,883,311	$ 682,854	$ 31,271,326
Sales at Point in Time	34,915	9,634	-	44,549
Total	$ 18,740,076	$ 11,892,945	$ 682,854	$ 31,315,875

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract Costs

The Company has applied the practical expedient provided by Financial Accounting Standards Board (FASB) Accounting Standards Codification 340-40-25-4 and all incremental resident contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Company otherwise would have recognized is one year or less in duration.

Charity Care

The Company's policy is to track those expenses for residents in its facilities who cannot pay for all or a portion of their care and to define these expenses as charity care. Because the Company does not pursue collection of amounts determined to qualify as charity care, they are not reflected as revenue in the accompanying financial statements. Benevolent and charity care provided to residents for the years ended December 31, 2020 and 2019 was $65,166 and $65,065, respectively.

Occupancy Percentages

During the years ended December 31, 2020 and 2019, the occupancy percentages and the percentages of Skilled Nursing Center (SNF) residents covered under the Medicaid program, Medicare program, and private pay and other were as follows:

	2020		2019	
	Maryville	Kingsport	Maryville	Kinsport
Total Skilled Nursing Center Occupancy	78%	68%	81%	74%
Medicaid	63%	0%	61%	0%
Medicare	16%	51%	13%	54%
Private Pay and Other	21%	49%	26%	46%

Provider Relief Funds

During 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Company, COVID-19 has impacted various parts of its operations for the year ended December 31, 2020 and financial results including but not limited to, personal protective equipment, additional costs for emergency preparedness, disease control and containment, additional testing, potential shortages of health care and other personnel, and loss of revenue due to reductions in certain revenue streams. Management believes the Company continues to take appropriate actions to mitigate the negative impact of this pandemic.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provider Relief Funds (Continued)

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Total grant funds approved and received by the Company was $2,831,901. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At December 31, 2020, the Company recognized $2,831,901 as other operating revenue in the statements of operations and changes in net assets.

The company believes the amounts have been recognized appropriately as of December 31, 2020.

Contributions

Contributions are considered available for unrestricted use unless specifically restricted by donors. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions. When a donor restriction expires in a subsequent fiscal year, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of operations and changes in net assets as net assets released from restriction. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as unrestricted. Interest earned on the investment of restricted contributions is reported as unrestricted support.

Gifts of property and equipment are reported as unrestricted support and are excluded from the operating indicator, unless explicit donor stipulations specify how the donated assets must be used.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Company reports expirations of donor restrictions when the donated long-lived assets are placed in service.

Unconditional promises to give cash and other assets are accrued at estimated fair market value at the date each promise is received.

Net Assets and Endowment Funds

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Include net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. At times, the governing board can designate, from net assets without donor restrictions, net assets for a board-designated endowment or other purposes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets and Endowment Funds (Continued)

Net Assets With Donor Restrictions – Include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Company has adopted an enacted version of the Uniform Prudent Management of Institutional Funds Act, which requires enhanced disclosures for all endowment funds. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

Loss from Operations

The statements of operations and changes in net assets include an operating indicator identified as the loss from operations. Changes in net assets without donor restrictions, which are excluded from the operating indicator consistent with industry practice, include unrealized gains and losses on fixed income securities and other investments.

Tax Status

The Company's members are each exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, no provision for income taxes is required as there are no unrelated trades or businesses.

The Company has implemented processes to ensure compliance with the Internal Revenue Service's intermediate sanctions provisions for all its supported organizations, including the Company. This includes an independent review by the board's compensation committee of all compensation arrangements with disqualified persons and outside compensation consultants to provide independent third-party review and advisement, and the implementation of a detailed conflict-of-interest policy and annual disclosure process for all disqualified persons. The compensation committee also hires outside counsel to advise the Company on compliance.

The tax benefit from an uncertain tax position must be recognized only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. The Company's reassessment of its tax positions did not have a material impact on the Company's results of operations or financial position.

The Company's income tax returns are subject to review and examination by federal, state, and local authorities. The Company is not aware of any activities that would jeopardize its tax-exempt status.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable.

The Company primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Company is able to classify fair value balances based on the observability of those inputs.

The Company's assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Also, the time between inception and performance of the contract may affect the fair value. The determination of fair value may, therefore, affect the timing of recognition of revenues and net income.

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Company emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. The Company did not have any assets or liabilities that are valued using Level 3 inputs.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Company has not elected to measure any existing financial instruments at fair value. The Company may elect to measure newly acquired financial instruments at fair value in the future.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events

The Company has evaluated subsequent events through April 21, 2021, the date the financial statements were available for issuance.

NOTE 3 LIQUIDITY AND AVAILABILITY

As of December 31, 2020 and 2019, the Company has working capital of $9,344,024 and $12,839,339, respectively.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2020	2019
Cash and Cash Equivalents	$ 895,834	$ 379,020
Investments	13,959,597	14,238,649
Accounts Receivable, Net	1,856,232	2,072,723
Other Receivables	654,243	366,920
Investments Held under Bond Indenture	577,625	577,625
Total Financial Assets	$ 17,943,531	$ 17,634,937

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Company has certain investments, including the current portion of investments held under bond indenture, which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above. The Company has other assets limited to use for donor-restricted purposes and noncurrent portion of investments held under bond indenture. These assets limited to use, which are more fully described in Note 6 are not available for general expenditure within the next year and are not reflected in the amounts above.

NOTE 4 REGULATORY ENVIRONMENT

Medicare and Medicaid

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Company believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegation of potential wrongdoing.

While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Medicare Reimbursement

The Balanced Budget Act of 1997 modified how payment is made for Medicare SNF services. SNFs are reimbursed on the basis of a prospective payment system (PPS). The PPS payment rates are adjusted for case mix and geographic variation in wages and cover all costs of furnishing SNF covered services (routine, ancillary, and capital related costs). Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement. The Centers for Medicare and Medicaid Services (CMS) recently finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare reimbursement system effective October 1, 2019. Under PDPM, therapy minutes are removed as the primary basis for payment and instead uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during the resident’s length of stay.

Nursing facilities licensed for participation in the Medicare and Medical Assistance programs are subject to annual licensure renewal. If it is determined that a nursing facility is not in substantial compliance with the requirements of participation, CMS may impose sanctions and penalties during the period of noncompliance. Such a payment ban would have a negative impact on the revenues of the licensed nursing facility.

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Medicare and Medicaid (Continued)

Medicaid Reimbursement

Under the Tennessee Medicaid reimbursement system, the determination of reimbursement rates is based upon costs and other statistical data reported on the annual Medicaid cost report and are subject to a statewide cap. An incentive add-on may be added to the per diem rate based upon the efficiency of the organization. Effective for the July 1, 2018 rate period, Medicaid rates are calculated using a case mix methodology. Rates are effective July 1st of the year following the cost report calendar year. Cost reports are subject to desk review or audit prior to setting of the rates.

Other

Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined daily rates.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Company's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved.

Estimated settlement are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2020 or 2019.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Company estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended December 31, 2020 and 2019. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

NOTE 5 CONCENTRATION OF CREDIT RISK

The Company grants credit without collateral to its residents, some of whom are insured under third-party payor agreements. The mix of receivables from patient and third-party payors is as follows as of December 31:

	2020	2019
Private Pay	34 %	25 %
Medicaid	19	22
Medicare	37	13
Other (Primarily Managed Care and Insurance)	10	40
Total	100 %	100 %

NOTE 6 INVESTMENTS

The investment portfolios, including assets whose use is limited and investments restricted by board at fair value, consisted of the following at December 31:

	2020	2019
Investments:		
Cash and Short-Term Investments	$ 214,181	$ 51,451
Fixed-Income Securities and Mutual Funds	4,282,202	5,824,259
Equity Securities and Mutual Funds	9,463,214	8,362,939
Total Investments	$ 13,959,597	$ 14,238,649
Investments Restricted by Donors:		
Cash and Short-Term Investments	$ 53,391	$ 53,391
Investments Held under Bond Indenture:		
Cash and Short-Term Investments	$ 2,525,079	$ 2,519,489

Assets limited as to use held by trustee under bond indenture are maintained for the following purposes as of December 31:

	2020	2019
Debt Service Fund	$ 577,640	$ 578,992
Debt Service Reserve Fund	1,947,439	1,940,497
Total	2,525,079	2,519,489
Less: Current Portion	(577,625)	(577,625)
Long-Term Portion of Bond Indenture	$ 1,947,454	$ 1,941,864

NOTE 6 INVESTMENTS (CONTINUED)

The total return on investments, along with investments classified as assets whose use is limited and investments restricted by board, including the change in the market value of derivative instruments, generated net investment income (loss) excluding capitalized interest income is as follows for the years ended December 31:

	2020	2019
Included within the Organization's Performance Indicator:		
Interest and Dividends, Net	$ 488,366	$ 573,467
Net Realized Gain (Loss) on Investments	(307,914)	102,214
Net Unrealized Gain on Equity Security Investments	1,625,935	1,148,347
Net Unrealized Loss on Change in Market Value of Derivative Instrument	(44,584)	(69,990)
Total	1,761,803	1,754,038
Included in Other Changes in Net Assets:		
Net Unrealized Gain (Loss) on Fixed Income Securities Other Investments	(47,208)	172,599
Total	$ 1,714,595	$ 1,926,637

Interest and dividend income is presented net of capitalized interest income related to construction projects.

The Company engages professionals to manage its investment portfolio within guidelines of ACOMM's board-approved investment policy. Management periodically reviews its investment portfolio and evaluates whether declines in the fair value of securities should be considered other than temporary. Factored into this evaluation are the general market conditions, the issuer's financial condition and near term prospects, conditions in the issuer's industry, the recommendation of advisors, and the length of time and extent to which the market value has been less than cost. During the years ended December 31, 2020 and 2019, the Company did not identify any other than temporary declines in the fair value of investments.

NOTE 7 BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION

AFOUND was established to solicit, receive, hold, invest, and reinvest donations and bequests, which are made primarily for the benefit of the Company, AMV, AS, BV, SH, IV (until the sale), and HCBS. The Company records an interest in the net assets of AFOUND resulting from contributions without and with donor restrictions that are solicited and held by the foundations to be used for the benefit of the Company. The Company's beneficial interest in the net assets of AFOUND was $12,899 and $5,565 as of December 31, 2020 and 2019, respectively.

NOTE 7 BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION (CONTINUED)

The balance sheets of AFOUND consisted of the following as of December 31:

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 397,616	$ 53,001
Investments	3,124	3,237
Pledges Receivable, Net	506,249	482,006
Prepaid Expenses and Other Assets	40,639	2,247
Total Current Assets	947,628	540,491
Property and Equipment, Net	9,375	17,567
Investments Restricted by Donor	32,636,232	26,803,136
Pledge Receivable, Net	3,906,043	2,548,671
Funds Held in Trust	1,897,957	1,852,579
Total Assets	$ 39,397,235	$ 31,762,444
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 6,831	$ 1,705
Due to ACOMM, Net	11,179,772	1,808,007
Obligations under Charitable Gift Annuities	3,725,135	3,408,638
Total Liabilities	14,911,738	5,218,350
NET ASSETS		
With Donor Restrictions	24,485,497	26,544,094
Total Net Assets	24,485,497	26,544,094
Total Liabilities and Net Assets	$ 39,397,235	$ 31,762,444

AFOUND's investments, which are recorded at fair value, consist principally of cash, bonds or bond mutual funds, and equity securities or equity mutual funds. Assets held under charitable gift annuities consist of funds contributed to AFOUND, or trusts managed by AFOUND, with the stipulation that specified distributions, primarily based on the income generated by the invested funds, be distributed to a life beneficiary specified by the donor.

NOTE 8 PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31:

	Useful Life	2020	2019
Land and Improvements	10 to 40 Years	$ 3,432,178	$ 3,432,178
Buildings and Improvements	10 to 40 Years	81,158,116	80,870,366
Furniture and Equipment	2 to 15 Years	13,991,565	13,244,106
Total		98,581,859	97,546,650
Less: Accumulated Depreciation		(40,744,662)	(36,805,429)
Property and Equipment, Net		$ 57,837,197	$ 60,741,221

Depreciation expense on property and equipment was approximately $3,993,972 and $4,083,683 for the years ended December 31, 2020 and 2019, respectively.

NOTE 9 RELATED PARTY TRANSACTIONS

Due to ACOMM

ACOMM and its affiliates use consolidated treasury and payroll functions to make the process of receiving and disbursing cash more efficient. In order to allocate the appropriate amounts between the affiliates, ACOMM utilizes intercompany accounts to move funds between the facilities. During the year, these intercompany accounts will fluctuate in order to reflect changes in cash flow, outstanding checks, or other cash movements between affiliates. However, in addition to the daily fluctuations, the intercompany accounts will also reflect the cumulative effect of the following types of transactions:

- Accrued Paid Time Off (PTO) – By utilizing the consolidated payroll function, all salaries and withholdings are processed through ACOMM. ACOMM also calculates and tracks the amounts due to employees relating to available PTO for each payroll period. This accrual does not affect the cash of the affiliates until the balance is actually paid out to the employees. The Company records the accrual that is included within the accrued compensation and related items in the statement of financial position.

- Deferred Management Fees – From time to time, management fees may be deferred by ACOMM to its affiliates in order to meet bond covenant requirements. These fees can be recouped by ACOMM in subsequent periods when financial performance warrants reducing or eliminating the deferral. The cumulative effect of these deferrals will be included in the affiliate's intercompany account. For the years ended December 31, 2020 and 2019, respectively, there were $3,285,076 and $2,578,586, management fees deferred in order to maintain bond covenant compliance.

  Longer term advances from one affiliate to another are subject to repayment terms agreed to by governing boards of both affiliates. These advances are accounted for in the intercompany accounts.

NOTE 9 RELATED PARTY TRANSACTIONS (CONTINUED)

Due to ACOMM (Continued)

- Cash Management – Entities supported by ACOMM share a common cash management function. Operating cash of the group is swept to reimburse ACOMM for actual expenses incurred for the Company. Cash balances are principally uninsured and subject to normal credit risk.

ACOMM is the conduit for all intercompany transactions; accordingly, due to and due from accounts from the affiliate point of view will always be either due to or due from ACOMM. All intercompany accounts bear interest at short-term interest rates and are uncollateralized.

Service Fees

The Company received administrative services from ACOMM under a service agreement at a cost of $-0- in both 2020 and 2019, respectively. Included in the administrative services is an information technology fee. Service fees are allocated to all affiliates based upon a pro rata share of revenues. The payment of service fees to ACOMM is subordinate to all obligations of the Company under all of the Company's secured loan agreements.

NOTE 10 DEBT

Long-term debt is summarized as follows:

	Interest Rate	Dates	2020	2019
Series 2016A Bonds	Fixed Rate Revenue Bonds	2024 - 2047	$ 23,170,000	$ 23,170,000
Series 2016B Bonds	Variable (1.96% as of 12/31/20)	2018 - 2046	14,393,373	14,849,510
Series 2016C Bonds	Variable (1.96% as of 12/31/20)	2017 - 2023	3,015,630	3,931,042
PPP Loan	1.00% Per Annum	2021 - 2022	3,270,900	-
Total			43,849,903	41,950,552
Less: Unamortized Deferred Financing Costs			(1,048,178)	(1,111,531)
Less: Unamortized Bond Premium			1,587,054	1,677,033
Less: Current Portion			(4,683,681)	(1,371,550)
Long-Term Debt, Net			$ 39,705,098	$ 41,144,504

Series 2016 Bonds

On October 1, 2016, the Company issued its $23,170,000 Revenue Refunding and Improvement Bonds (Series 2016A) through The Health and Educational Facilities Board of Blount County, Tennessee. The purpose of the financing is primarily to provide funds, together with other available funds, to refund the outstanding Series 2010 Bonds, to pay a portion of the costs of improving and renovating the Company's facilities at its Maryville and Kingsport locations, to fund a debt service fund, and to pay certain expenses incurred in connection with the issuance of the Series 2016A Bonds. Interest on the Series 2016A Bonds ranges from 4% to 5% and is payable on each January 1 and July 1, beginning on January 1, 2017.

NOTE 10 DEBT (CONTINUED)

Series 2016 Bonds (Continued)

Simultaneously with the issuance of the Series 2016A Bonds, the Company also issued its $18,000,000 Revenue Improvement Bonds (Series 2016B) through The Health and Educational Facilities Board of Blount County, Tennessee. The primary purpose of the Series 2016B financing is to provide additional funds to pay the costs of improving and renovating the Company's facilities at its Maryville and Kingsport locations and to pay certain expenses incurred in connection with the issuance of the Series 2016B Bonds.

Simultaneously with the issuance of the Series 2016A Bonds and Series 2016B Bonds, the Company also issued its $6,236,858 Revenue Refunding Bonds (Series 2016C) through The Health and Educational Facilities Board of Blount County, Tennessee. The primary purpose of the Series 2016C financing was to refund the outstanding Series 2007A Bonds and to pay certain expenses incurred in connection with the issuance of the Series 2016C Bonds when they became callable on April 3, 2017.

Both the Series 2016B and Series 2016C Bonds are privately held bonds and bear interest at a variable rate equal to a percentage of one-month LIBOR plus a fixed credit spread and were issued using a draw-down structure, as the actual par amount of each of these series could be lower depending on costs of issuance and the costs of improvement to the Company's facilities.

Paycheck Protection Program

On April 21, 2020 the Company received proceeds in the amount of $3,270,900 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Company fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The covered period is the time that a business has to spend their PPP Loan funds. The Company has classified the loan as current in accordance with the terms of the law.

Deferred Financing Costs

Deferred financing costs represent expenses incurred in connection with the issuance of debt and are deferred and amortized over the life of the related indebtedness using the straight-line method which approximates the effective interest method. The amortization expense on deferred financing costs is included in interest expense and totaled $63,352 for both years ended December 31, 2020 and 2019.

NOTE 10 DEBT (CONTINUED)

Bond Premium

Bond premiums are comprised of the difference between the price at which a bond was sold and its fair value. Bond premiums are amortized on a straight-line basis into interest expense over the life of the bonds. The amortization expense on bond premiums is included in interest expense and totaled $89,978 for both years ended December 31, 2020 and 2019.

Liens and Covenants

Collateral for the debt includes the trustee-held funds, a first mortgage lien on the Company's real estate, as well as a security interest in the Company's assets, accounts receivable, general intangibles, chattel paper, and certain other items.

Under the Asbury Place Master Indenture, the lenders have a security interest in gross receipts (not charitable pledges), accounts, equipment, general intangibles inventory, documents, instruments, and chattel paper of the Company. The terms of the indenture restrict the Company's ability to create additional indebtedness and require stipulated insurance coverage.

Additionally, the members of the Company are subject to covenants relating to long-term debt service coverage ratio, days cash on hand, consolidation and merger, transfers of assets, and addition of or withdrawal of members from the Company.

The Company is subject to various covenants under the bond agreements. These covenants include various reporting, financial, and operational requirements. As of December 31, 2020, management is not aware of any noncompliance with these covenants.

Debt Maturities

A schedule of minimum maturities of debt for the next five years and thereafter, based on the current terms of the Company's loan agreements, is as follows:

Fiscal Year Ending December 31,	Amount
2021	$ 4,683,681
2022	1,454,029
2023	1,591,975
2024	759,973
2025	1,068,831
Thereafter	34,291,414
Total	$ 43,849,903

NOTE 11 DERIVATIVE INSTRUMENTS

The Company entered into a forward-rate purchase agreement with an investment company, in conjunction with the issuance of the Series 2016B and C Bonds, which reduces their exposure to volatility of interest rates on debt. Under this agreement, beginning on the effective date of April 3, 2017, the Company pays a fixed rate of interest of 0.998% per annum, as noted in the table below, while the investment company pays the Company based on a floating rate of 67% of London Interbank Offered Rate (LIBOR). The floating rate resets every seven days. The difference between the fixed and floating rates is accrued and recorded in interest expense or interest income in the accompanying statements of operations and changes in net assets. The notional amount declines over time to hedge the interest rate exposure for the Company. The agreement is with an investment company that has investment grade credit ratings from Standard & Poor's and Moody's. The agreement has provisions that if the investment company falls below certain investment grade ratings, the investment company is required to either obtain a replacement investment company or post collateral equal to or more than the value of the derivative instrument. Payments on this forward contract agreement began May 1, 2017 and terminate April 1, 2023.

The following schedule outlines the terms and fair market value of the derivative instrument on December 31:

	Series 2016 Forward Contract
Notional Amount - December 31, 2020	$ 3,015,630
Trade Date	10/6/2016
Effective Date	4/3/2017
Termination or Cancellation Date	4/1/2023
Fixed Rate	0.998%
Fair Value at December 31, 2018	$ 73,621
Unrealized Gain	(69,990)
Fair Value at December 31, 2019	3,631
Unrealized Loss	(44,584)
Fair Value at December 31, 2020	$ (40,953)

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were $197,007 and $209,709 as of December 31, 2020 and 2019, respectively. Included in net assets with donor restrictions are investments to be held in perpetuity totaling $55,696 and $53,506 as of December 31, 2020 and 2019, respectively. Investment income earned from the net assets with donor restrictions is available for operations of the supported organizations including funding of benevolent and charity care.

NOTE 13 RETIREMENT PLAN

ACOMM has a defined-contribution plan (the Plan) under IRC Section 401(k). All full-time employees of the Company are eligible to participate in the Plan. Employees may elect to defer up to $19,500 of their base salary, subject to certain limitations. The employer's basic contribution is 3% of compensation for each eligible employee. ACOMM will also match the employee's contribution up to 2% of the employee's base salary. During the years ended December 31, 2020 and 2019, retirement plan expense totaled $409,001 and $379,388, respectively.

NOTE 14 COMMITMENTS AND CONTINGENCIES

General and Professional Liability Insurance

ACOMM and its affiliates have a general and professional liability insurance policy (GL/PL), which is claims-made based. The GL/PL coverage has a limit of $1,000,000 per occurrence and a $3,000,000 annual aggregate. ACOMM and its affiliates also have excess coverage in effect with a limit of $10,000,000 per claim and a $30,000,000 annual aggregate. This policy has been renewed through December 31, 2021. Any losses for general and professional liability not currently covered by insurance in force are not expected to be material to the financial statements.

Caring Communities, a Reciprocal Risk Retention Group

ACOMM and its affiliates began participating in an insurance risk retention group, Caring Communities, a Reciprocal Risk Retention Group (CCrRRG) licensed by the District of Columbia for purposes of obtaining the following insurance coverage: (1) primary general and professional liability, (2) excess general and professional liability, and (3) excess auto liability. CCrRRG provides insurance coverage to its members, which are nonprofit, predominantly faith based, senior housing, and healthcare providers. These members include continuing care retirement communities, affordable housing providers, and other organizations that offer a mix of product and services, including independent living, assisted living and skilled nursing. In December 2020, CCrRRG was affirmed as a rating of "A (Excellent)" for its financial strength with a stable outlook by A.M. Best Co., one of the leading rating agencies.

ACOMM executed a subscription agreement and made capital contributions in exchange for an interest in a CCrRRG Charter Capital Account. Through December 31, 2019, ACOMM's capital contributions were $560,508 which represents 2.81% of CCrRRG's total Charter Capital. The percentage of the total Charter Capital may be affected by the future addition of members to CCrRRG.

Health Insurance

ACOMM and its affiliates have a self-funding arrangement for health insurance coverage. ACOMM and affiliates have stop-loss coverage up to $200,000 per participant with unlimited reimbursement after a $50,000 aggregate deductible (one time across all claimants) in effect through December 31, 2021.

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Legal Actions and Claims

The Company is party to various legal actions and claims arising in the ordinary course of its business. The Company's management believes that their ultimate disposition will not have material adverse effect on the Company's financial position or results of operations.

Lease Commitments

The Company leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2024. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

Total lease costs for the years ended December 31, 2020 and 2019 was $158,984 and $144,070, respectively.

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2020 is as follows:

Year Ending December 31,	Amount
2021	$ 90,960
2022	77,290
2023	53,935
2024	47,271
Total	269,456
Less: Interest Expense	(9,138)
Amounts Recognized in the Statements of Financial Position	$ 260,318

NOTE 15 FUNCTIONAL EXPENSES

The Company provides continuing and long-term care for the aging. Expenses related to providing these services were as follows as of December 31:

	2020		
	Program Services	Supporting Services	
	Continuing Care Services	Management and General	Total
Salaries and Wages	$ 15,368,952	$ -	$ 15,368,952
Employee Benefits	2,685,686	-	2,685,686
Contract Labor	6,130,546	-	6,130,546
Food Purchases	1,723,410	-	1,723,410
Medical Supplies and Other Resident Costs	3,571,741	-	3,571,741
General and Administrative	-	1,027,220	1,027,220
Building and Maintenance	3,666,315	-	3,666,315
Professional Fees and Insurance	669,968	-	669,968
Interest	1,643,381	-	1,643,381
Taxes	1,498,259	-	1,498,259
Provision for Bad Debts	567,729	-	567,729
Depreciation and Amortization	4,035,959	-	4,035,959
Management and Other Fees	-	2,367	2,367
Total Functional Expenses	$ 41,561,946	$ 1,029,587	$ 42,591,533

	2019		
	Program Services	Supporting Services	
	Continuing Care Services	Management and General	Total
Salaries and Wages	$ 14,214,537	$ -	$ 14,214,537
Employee Benefits	3,445,254	-	3,445,254
Contract Labor	5,075,075	-	5,075,075
Food Purchases	1,601,099	-	1,601,099
Medical Supplies and Other Resident Costs	1,844,260	-	1,844,260
General and Administrative	-	1,137,299	1,137,299
Building and Maintenance	3,404,881	-	3,404,881
Professional Fees and Insurance	558,749	-	558,749
Interest	1,877,561	-	1,877,561
Taxes	1,693,763	-	1,693,763
Provision for Bad Debts	313,013	-	313,013
Depreciation and Amortization	4,125,670	-	4,125,670
Management and Other Fees	-	39,401	39,401
Total Functional Expenses	$ 38,153,862	$ 1,176,700	$ 39,330,562

Included in management and general expenses are management and other fees and other general and administrative expenses.

NOTE 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

The determination of the fair values incorporates various factors required under fair value accounting. These factors include not only the credit standing of the counterparties involved and the impact of credit enhancements (such as cash deposits, letters of credit and priority interests), but also the impact of the Company's nonperformance risk on its liabilities.

The fair value of investments is determined by third-party service providers utilizing various methods dependent upon the specific type of investment. When quoted prices are available in the active market, securities are classified within Level 1 of the valuation hierarchy. Assets utilizing Level 1 inputs include equity securities and mutual funds and fixed-income securities and mutual funds.

Liabilities utilizing Level 2 inputs are derivatives. A quoted price can be obtained from a number of dealer counterparties and other independent market sources based on observable interest rates and yield curves for the full term of the asset or liability, thus derivative instruments are classified within Level 2 of the valuation hierarchy.

The following tables set forth by level within the fair value hierarchy the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31:

	At Fair Value as of December 31, 2020			
Recurring Fair Value Measures	Level 1	Level 2	Level 3	Total
Assets				
Cash and Short-Term Investments	$ 2,792,651	$ -	$ -	$ 2,792,651
Fixed-Income Securities and Mutual Funds	4,282,202	-	-	4,282,202
Equity Securities and Mutual Funds	9,463,214	-	-	9,463,214
Total	$ 16,538,067	$ -	$ -	$ 16,538,067
Liabilities				
Derivative Instrument	$ -	$ (40,953)	$ -	$ (40,953)

	At Fair Value as of December 31, 2019			
Recurring Fair Value Measures	Level 1	Level 2	Level 3	Total
Assets				
Cash and Short-Term Investments	$ 2,624,331	$ -	$ -	$ 2,624,331
Fixed-Income Securities and Mutual Funds	5,824,259	-	-	5,824,259
Equity Securities and Mutual Funds	8,362,939	-	-	8,362,939
Derivative Instrument	-	3,631	-	3,631
Total	$ 16,811,529	$ 3,631	$ -	$ 16,815,160

ASBURY, INC.
STATEMENT OF FINANCIAL POSITION BY LOCATION
DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Locations				
ASSETS	Maryville	Kingsport	Asbury at Home	Combining Entries	Asbury, Inc.
CURRENT ASSETS					
Cash and Cash Equivalents	$ 1,296,216	$ -	$ -	$ (400,382)	$ 895,834
Investments	10,430,553	3,529,044	-	-	13,959,597
Accounts Receivable, Net	1,181,537	627,343	47,352	-	1,856,232
Other Receivables and Prepaid Expenses	503,660	149,142	1,441	-	654,243
Investments Held under Bond Indenture	512,955	64,670	-	-	577,625
Total Current Assets	13,924,921	4,370,199	48,793	(400,382)	17,943,531
Due from ACOMM, Net	-	3,168,053	591,946	(1,108,911)	2,651,088
Property, Plant, and Equipment, Net	37,612,684	20,224,513	-	-	57,837,197
Right-Of-Use Assets - Operating Leases	167,808	92,510	-	-	260,318
Investments Restricted by Donors	34,192	19,199	-	-	53,391
Deposits and Other Assets	99,167	-	-	-	99,167
Other Intangible Assets	3,430,000	2,050,000	-	-	5,480,000
Investments Held under Bond Indenture	1,729,415	218,039	-	-	1,947,454
Beneficial Interest in Net Assets of Foundation	12,392	507	-	-	12,899
Total Assets	$ 57,010,579	$ 30,143,020	$ 640,739	$ (1,509,293)	$ 86,285,045

ASBURY, INC.
STATEMENT OF FINANCIAL POSITION BY LOCATION (CONTINUED)
DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Locations				
	Maryville	Kingsport	Asbury at Home	Combining Entries	Asbury, Inc.
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable and Accrued Expenses	$ 503,621	$ 457,150	$ 1,217	$ -	$ 961,988
Accrued Compensation and Related Items	416,324	185,539	8,468	-	610,331
Accrued Interest Payable	548,093	84,446	-	-	632,539
Deposits from Prospective Residents	111,910	2,200	-	-	114,110
Entrance Fees Refundable	1,033,009	332,862	-	-	1,365,871
Deferred Revenue	65,841	78,535	36	-	144,412
Current Portion of Long-Term Debt	2,972,535	1,597,769	113,377	-	4,683,681
Current Portion of Lease Liabilities - Operating Leases	59,722	26,853	-	-	86,575
Total Current Liabilities	5,711,055	2,765,354	123,098	-	8,599,507
Due to Affiliates, Net	1,108,911	400,382	-	(1,509,293)	-
Long-Term Lease Liabilities - Operating Leases	108,086	65,657	-	-	173,743
Long-Term Debt, Net	31,508,542	8,196,556	-	-	39,705,098
Contingent Refundable Entrance Fee Liability	19,630,015	8,173,218	-	-	27,803,233
Entrance Fees - Deferred Revenue	2,791,412	1,516,794	-	-	4,308,206
Valuation of Derivative Instrument	25,350	15,603	-	-	40,953
Total Liabilities	60,883,371	21,133,564	123,098	(1,509,293)	80,630,740
NET ASSETS					
Without Donor Restrictions	(3,967,548)	8,907,205	517,641	-	5,457,298
With Donor Restrictions	94,756	102,251	-	-	197,007
Total Net Assets	(3,872,792)	9,009,456	517,641	-	5,654,305
Total Liabilities and Net Assets	$ 57,010,579	$ 30,143,020	$ 640,739	$ (1,509,293)	$ 86,285,045

ASBURY, INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS BY LOCATION
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Locations			
	Maryville	Kingsport	Asbury at Home	Asbury, Inc.
OPERATING REVENUES				
Net Resident Service Revenue	$ 20,139,148	$ 11,349,857	$ 689,477	$ 32,178,482
Other Operating Revenue	2,316,860	699,427	10	3,016,297
Amortization of Entrance Fees	507,940	425,572	-	933,512
Interest and Dividend Income, Net	313,206	173,179	1,981	488,366
Net Realized Loss on Investments	(197,188)	(110,726)	-	(307,914)
Net Unrealized Gain on Equity Security Investments	1,041,249	584,686	-	1,625,935
Net Assets Released from Restrictions	13,413	6,624	-	20,037
Allocations from Asbury Foundation, Inc.	29,892	19,779	-	49,671
Total Operating Revenues	24,164,520	13,148,398	691,468	38,004,386
OPERATING EXPENSES				
Salaries and Wages	10,136,599	4,688,952	543,401	15,368,952
Employee Benefits	1,681,277	938,010	66,399	2,685,686
Contract Labor	4,462,883	1,667,663	-	6,130,546
Food Purchases	1,039,202	684,208	-	1,723,410
Medical Supplies and Other Resident Costs	2,371,937	1,199,302	502	3,571,741
General and Administrative	768,570	237,611	21,039	1,027,220
Building and Maintenance	2,263,049	1,393,901	9,365	3,666,315
Professional Fees and Insurance	444,415	224,145	1,408	669,968
Interest	1,327,194	316,180	7	1,643,381
Taxes	1,084,275	413,984	-	1,498,259
Provision for Bad Debts	289,158	286,095	(7,524)	567,729
Depreciation and Amortization	2,516,721	1,519,238	-	4,035,959
Management and Other Fees	530	281	1,556	2,367
Total Operating Expenses	28,385,810	13,569,570	636,153	42,591,533
GAIN (LOSS) FROM OPERATIONS PRIOR TO NET UNREALIZED LOSS ON CHANGE IN MARKET VALUE OF DERIVATIVE INSTRUMENT	(4,221,290)	(421,172)	55,315	(4,587,147)
Net Unrealized Loss on Change in Market Value of Derivative Instrument	(27,598)	(16,986)	-	(44,584)
GAIN (LOSS) FROM OPERATIONS	(4,248,888)	(438,158)	55,315	(4,631,731)
Net Unrealized Losses on Fixed Income Securities and Other Investments	(30,232)	(16,976)	-	(47,208)
Transfers from ACOMM	2,554,500	1,375,500	-	3,930,000
NET INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	$ (1,724,620)	$ 920,366	$ 55,315	$ (748,939)