ASBURY COMMUNITIES, INC.

CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

YEARS ENDED DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

Audit Committee
Asbury Communities, Inc.
Frederick, Maryland

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Asbury Communities, Inc. (a Maryland nonprofit corporation) and its subsidiaries, which comprise consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations and changes in net deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Asbury Communities, Inc. and its subsidiaries as of December 31, 2023 and 2022, and the results of their operations, changes in net deficit, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Asbury Communities, Inc. and its subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Asbury Communities, Inc. and its subsidiaries ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Asbury Communities, Inc. and its subsidiaries' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Asbury Communities, Inc. and its subsidiaries' 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.

Audit Committee
Asbury Communities, Inc.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet and consolidating statement of operations and changes in net deficit are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
April 22, 2024

ASBURY COMMUNITIES, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 26,160,115	$ 18,943,185
Investments	61,953,159	60,365,829
Accounts Receivable	12,725,028	12,059,473
Allowance for Credit Losses	(2,390,483)	(1,895,806)
Pledges Receivable, Net	602,841	807,667
Other Receivables and Prepaid Expenses	13,581,370	12,926,959
Investments Held under Bond Indenture	11,281,578	10,044,319
Total Current Assets	123,913,608	113,251,626
Property and Equipment, Net	368,661,960	389,185,023
Right-of-Use Assets - Operating Leases	14,417,575	9,656,952
Right-of-Use Assets - Finance Leases	808,509	431,758
Investments Restricted by Donors	63,637,789	55,769,609
Deposits and Other Assets	2,146,741	1,822,096
Other Intangible Assets, Net	4,048,309	7,267,500
Investments Held under Bond Indenture	25,966,750	43,651,193
Long-Term Investments	4,278,705	1,642,652
Statutory Reserves	29,541,616	28,892,297
Investments Restricted by Board	4,907,792	4,566,113
Pledges Receivable, Net	8,999,782	6,614,828
Funds Held in Trust	7,661,821	6,743,790
Valuation of Derivative Instruments	3,412,880	3,914,178
Total Assets	$ 662,403,837	$ 673,409,615

See accompanying Notes to Consolidated Financial Statements.

ASBURY COMMUNITIES, INC.
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2023 AND 2022

	2023	2022
LIABILITIES AND NET DEFICIT		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 22,820,027	$ 23,772,487
Accrued Compensation and Related Items	13,863,213	10,728,422
Accrued Interest Payable	8,147,109	6,429,122
Obligations under Deferred-Giving Arrangements	753,303	784,035
Deposits from Prospective Residents	4,582,907	4,868,329
Entrance Fees - Refundable	10,034,719	11,518,477
Deferred Revenue	2,846,141	1,166,809
Reserve for LIFE Program	3,454,003	2,722,667
Current Portion of Lease Liabilities - Operating Leases	2,169,114	2,084,373
Current Portion of Lease Liabilities - Finance Leases	328,387	159,835
Current Portion of Long-Term Debt	20,004,599	50,636,331
Total Current Liabilities	89,003,522	114,870,887
Long-Term Lease Liabilities - Operating Leases	12,925,016	8,276,470
Long-Term Lease Liabilities - Finance Leases	440,486	207,729
Long-Term Debt, Net	283,645,798	270,153,466
Contingent Refundable Entrance Fee Liability	172,364,816	179,980,455
Entrance Fees - Deferred Revenue	216,562,644	204,398,708
Obligations under Deferred-Giving Arrangements	3,202,492	3,325,721
Other Long-Term Liabilities	1,667,413	1,564,590
Total Liabilities	779,812,187	782,778,026
NET ASSETS (DEFICIT)		
Without Donor Restriction	(171,413,711)	(160,452,561)
With Donor Restrictions	54,005,361	51,084,150
Total Net Deficit	(117,408,350)	(109,368,411)
Total Liabilities and Net Deficit	$ 662,403,837	$ 673,409,615

See accompanying Notes to Consolidated Financial Statements.

ASBURY COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
AND CHANGES IN NET DEFICIT
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUES, GAINS, AND OTHER SUPPORT		
Resident and Client Service Revenue	$ 234,100,339	$ 219,626,000
Other Operating Revenue	15,458,390	20,137,153
Amortization of Entrance Fees	32,324,268	31,226,329
Interest and Dividend Income, Net	6,255,988	4,117,710
Net Realized Loss on Investments	(2,973,766)	(4,880,973)
Net Unrealized Gain (Loss) on Equity Securities	15,590,317	(25,803,233)
Contributions of Cash and Other Financial Assets	6,283,948	1,790,949
Contributions of Nonfinancial Assets	-	2,426,800
Net Assets Released from Restrictions Used for Operations	1,157,334	1,285,985
Total Revenues, Gains, and Other Support	308,196,818	249,926,720
EXPENSES		
Salaries	117,163,965	110,326,723
Employee Benefits	27,124,390	22,921,633
Cost of Goods Sold	142,717	450,842
Contract Labor	21,928,412	26,339,243
Food Purchases	9,263,189	9,093,745
Medical Supplies and Other Resident Costs	22,137,279	22,404,353
General and Administrative	11,844,073	12,999,741
Building and Maintenance	32,689,006	30,505,286
Professional Fees and Insurance	4,076,253	3,596,876
Interest	14,002,479	12,482,372
Taxes	6,428,622	6,888,814
Provisions for Credit Losses	1,508,728	128,796
Depreciation and Amortization	39,919,256	37,479,893
Total Expenses	308,228,369	295,618,317
LOSS FROM OPERATIONS PRIOR TO NET UNREALIZED GAIN (LOSS) ON CHANGE IN MARKET VALUE OF DERIVATIVE INSTRUMENTS, LOSS ON DISCONTINUED OPERATIONS, AND GAIN ON DISPOSAL OF ASSETS	(31,551)	(45,691,597)
Net Unrealized Gain (Loss) on Change in Market Value of Derivative Instruments	(501,298)	4,997,734
Loss on Discontinued Operations	(15,394,664)	(1,461,094)
Gain on Disposal of Assets	3,535,087	634,151
LOSS FROM OPERATIONS	(12,392,426)	(41,520,806)

See accompanying Notes to Consolidated Financial Statements.

ASBURY COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
AND CHANGES IN NET DEFICIT (CONTINUED)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
NET DEFICIT WITHOUT DONOR RESTRICTIONS		
Loss from Operations	$ (12,392,426)	$ (41,520,806)
Net Assets Released from Restrictions Used for Purchases of Capital Items	423,753	341,621
Change in Value of Deferred-Giving Arrangements	(113,461)	404,101
Net Unrealized Gain (Loss) on Fixed Income Securities and Other Investments	1,120,984	(678,844)
Net Decrease in Net Deficit Without Donor Restrictions	(10,961,150)	(41,453,928)
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions of Cash and Other Financial Assets	3,733,921	5,563,004
Contributions of Nonfinancial Assets	130,000	-
Net Assets Released from Restrictions for Operations	(1,157,334)	(1,285,985)
Net Assets Released from Restrictions Used for Purchases of Capital Items	(423,753)	(341,621)
Net Investment Income (Loss)	831,205	(643,906)
Change in Value of Deferred-Giving Arrangements	(192,828)	281,886
Net Increase in Net Assets With Donor Restrictions	2,921,211	3,573,378
CHANGES IN NET DEFICIT	(8,039,939)	(37,880,550)
Net Deficit - Beginning of Year	(109,368,411)	(71,487,861)
NET DEFICIT - END OF YEAR	$ (117,408,350)	$ (109,368,411)

See accompanying Notes to Consolidated Financial Statements.

ASBURY COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Deficit	$ (8,039,939)	$ (37,880,550)
Adjustments to Reconcile Changes in Net Deficit to Net Cash Provided by Operating Activities:		
Provision for Credit Losses	1,508,728	128,796
Depreciation and Amortization	39,588,532	37,479,893
Straight-Line Rent Adjustment	(27,336)	155,264
Amortization of Deferred Financing Costs	397,900	384,650
Amortization of Bond Premium/Discount	(870,530)	(910,196)
Amortization of Entrance Fees	(32,324,268)	(31,226,329)
Amortization of ROU Asset - Finance Leases	330,724	98,228
Net Proceeds from Nonrefundable Entrance and Advance Fees	46,149,179	44,073,703
Net Unrealized (Gain) Loss on Investments	(17,542,506)	27,125,983
Net Realized (Gain) Loss on Investments	2,973,766	4,880,973
Net Unrealized (Gain) Loss on Change in Market Value of Derivative Instruments	501,298	(4,997,734)
Changes in Value of Deferred-Giving Arrangements	306,289	(685,987)
Restricted Contributions Received	(3,863,921)	(5,563,004)
Loss on Discontinued Operations	15,394,664	-
Gain on Disposal of Assets	(3,535,087)	(634,151)
Changes in Assets and Liabilities:		
Accounts Receivable	(1,679,606)	567,200
Other Receivables and Prepaid Expenses	362,524	(2,440,487)
Deferred Entrance Fees	(964,634)	(108,708)
Deposits and Other Assets	(324,645)	701,708
Pledges Receivable, Net	(2,180,128)	385,952
Deferred Revenue	(85,193)	(1,966,452)
Accounts Payable and Accrued Expenses	2,913,667	3,921,469
Accrued Interest Payable	1,717,987	1,652,473
Other Long-Term Liabilities	102,823	1,564,590
Net Cash Provided by Operating Activities	40,810,288	36,707,284
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment, Net	(31,522,377)	(27,807,927)
Funds Held in Trust	(918,031)	(30,350)
Acquisition of LIFE Programs	(1,500,000)	-
Acquisition of Asbury Living	(26,000,000)	-
Purchases of Investments	(64,272,820)	(104,371,317)
Sales of Investments	66,408,318	98,991,839
Net Cash Used by Investing Activities	(57,804,910)	(33,217,755)

See accompanying Notes to Consolidated Financial Statements.

ASBURY COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Entrance and Advance Refundable Fees and Refundable Deposits	$ 15,133,322	$ 11,740,803
Refunds of Entrance and Advance Refundable Fees and Refundable Deposits	(24,414,591)	(26,769,435)
Restricted Contributions	4,165,551	7,107,842
Forgiveness of Affordable Housing Program Grant	(134,101)	-
Proceeds from Issuance of Debt	27,460,473	43,099,957
Discounts from Issuance of Debt	-	(2,029,901)
Payments on Long-Term Debt	(11,690,362)	(9,550,695)
Payments for Deferred Financing Costs	(1,038,559)	(1,079,113)
Payments on Finance Leases	(306,166)	(162,422)
Payments on Obligations under Charitable Gift Annuities	(761,880)	(715,593)
Net Cash Provided by Financing Activities	8,413,687	21,641,443
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(8,580,935)	25,130,972
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	101,530,994	76,400,022
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 92,950,059	$ 101,530,994
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 12,757,122	$ 11,355,445
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Right-of-Use Asset Received in Exchange for Finance Leases	$ 257,271	$ 529,984
Right-of-Use Asset Received in Exchange for Operating Leases	$ 7,301,442	$ 612,769

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 ORGANIZATION

Asbury Communities, Inc. (ACOMM), was organized on August 1, 1994, as a Maryland nonprofit organization to provide executive and comprehensive administrative functions, as well as policy and overall planning guidance, to its supported organizations. ACOMM serves as the supporting organization of Asbury Atlantic, Inc. (Asbury Atlantic); Asbury Communities HCBS, Inc. (HCBS); Bethany Development Corporation (BDC); Asbury, Inc. (Asbury Place) and Affiliate (Forest Ridge Manor); and Albright Care Services (Albright) and Affiliate (Warrior Run). ACOMM is the sole voting stockholder of The Asbury Group, Inc. (TAG). Additionally, ACOMM is the sole member of Asbury Foundation, Inc. (AFOUND).

Asbury Atlantic, Inc. (Asbury Atlantic) – is a nonprofit, nonstock corporation organized under the laws of the state of Maryland. Asbury Atlantic has operating entities comprised of Asbury Methodist Village (AMV), Asbury Solomons (AS), Bethany Village (BV), and Springhill (SH).

- AMV is a continuing-care retirement community (CCRC) in Gaithersburg, Maryland. A CCRC consists of independent living, assisted living, and skilled-nursing units. A CCRC provides a continuum of care that includes housing, healthcare, and other related health-care and lifestyle services to seniors.
- AS is a CCRC located in Solomons, Maryland.
- BV is a CCRC located in Mechanicsburg, Pennsylvania.
- SH is a CCRC located in Erie, Pennsylvania.

HCBS – is a nonprofit, nonstock corporation organized under the laws of the state of Maryland. HCBS was organized in 2011 to provide in-home services. On March 20, 2015, HCBS purchased the assets of a Medicare certified home health provider and began providing home health services insured by Medicare, Medicaid, and commercial insurance.

Asbury Place – On August 1, 2016, Asbury, Inc. (Asbury Place) and Affiliate (Forest Ridge Manor), a tax-exempt, Tennessee nonstock corporation, became an affiliate of the Company, by ACOMM serving as the supporting organization for Asbury Place. Asbury Place has two CCRCs located in Maryville and Kingsport and a 38-unit affordable housing facility, Forest Ridge Manor (FRM) located in Kingsport. On August 11, 2022, Asbury Place filed a Material Event Notice (Notice of Non-Payment) concerning, among other things, its failure to pay certain monthly debt service on outstanding debt and its expectation to stop making required installment payments on the Series 2016 Bonds. On January 1, 2024, Asbury Place was sold and was no longer a supported organization of ACOMM. See Note 18.

AFOUND – is a nonprofit, nonstock corporation organized under the laws of the state of Maryland. AFOUND is a supporting organization established to promote charitable giving from available resources to help fund the charitable programs of AMV, AS, BV, SH, Albright, and HCBS. ACOMM is the sole member of AFOUND.

NOTE 1 ORGANIZATION (CONTINUED)

TAG – was organized in 2006 as a for-profit Delaware corporation and provides management and technological support services to both affiliated and nonaffiliated continuing-care retirement communities. In addition, TAG provides comprehensive information technology services and support to all affiliated entities of ACOMM. TAG is a wholly owned subsidiary of ACOMM. On July 1, 2008, TAG formed The Asbury Group Integrated Technologies, LLC (TAG IT) as a Delaware limited liability company. Effective April 15, 2022, the name of TAG IT was changed from The Asbury Group Integrated Technologies, LLC to ThriveWell Tech, LLC. During 2021, ACOMM formed 1569 Teels Road, LLC, which is owned by TAG. 1569 Teels Road, LLC owns and operates Chandler Estate, Inc. (CE), an independent and personal care facility located in Pen Argyl, Pennsylvania.

BDC – BDC is a nonprofit 149-unit rental housing project for the elderly located in Mechanicsburg, Pennsylvania. BDC is operated under Section 207 pursuant to Section 223(f) of the National Housing Act and regulated by the U.S. Department of Housing and Urban Development (HUD) with respect to rental charges and operating methods.

Albright – On January 1, 2020, Albright Care Services (Albright) and Affiliate (Warrior Run) became an affiliate of the Company, by ACOMM serving as the supporting organization for Albright Care Services. Albright serves as the supporting organization of Warrior Run Manor, Inc. (Warrior Run). Warrior Run is a controlled entity of Albright. Albright Care Services (Albright) is a nonprofit corporation that operates two continuing care retirement communities, Riverwoods (RW) located in Lewisburg, Pennsylvania and Normandie Ridge (NR) located in York, Pennsylvania, that provides housing, healthcare, and other related services to elderly residents through the operation of nursing facilities, personal care facilities, and residential living units. Albright also operates Albright Pharmacy Services located in Pennsylvania and Maryland and Albright Living Independence for Elderly (LIFE) Programs located in Lebanon, Lancaster, Lycoming, Chester, Cumberland County, and Franklin County, Pennsylvania. Warrior Run is a nonprofit corporation that operates a 76-unit rental housing project for the elderly located in Watsontown, Pennsylvania. Warrior Run is operated under Section 207 pursuant to Section 223(f) of the National Housing Act and regulated by the U.S. Department of Housing and Urban Development (HUD) with respect to rental charges and operating methods.

Asbury Living, Inc. – During 2023, ACOMM formed Asbury Living, Inc. (Asbury Living), a Pennsylvania nonprofit corporation. Asbury Living, Inc. owns and operates Asbury Grace Park and Asbury Ivy Gables. See Business Combinations note. ACOMM is the sole member of Asbury Living.

NOTE 1 ORGANIZATION (CONTINUED)

Business Combinations

Grace Park and Ivy Gables

On October 27, 2023, Asbury Living, Inc. entered into an asset purchase agreement to buy substantially all the assets of Grace Park Senior Living, which includes 13 independent living units and 82 personal care beds, including 22 memory care beds, located in Stroudsburg, Pennsylvania, and Ivy Gables Senior Living, which includes 62 assisted living beds, including 18 memory care beds, located in Wilmington Delaware. The transaction closed on December 29, 2023. The total purchase price of the acquisitions was $26,000,000. Asbury Living accounted for the acquisition using the purchase method of accounting. The purchase price was allocated to tangible and intangible assets acquired based on their estimated fair values at the acquisition date.

The following table summarizes the estimated fair values of the assets acquired at the date of acquisition:

	Amount
Fixed Assets, Net - Grace Park	$ 14,437,587
Fixed Assets, Net - Ivy Gables	10,461,703
Intangibles - Grace Park	662,413
Intangibles - Ivy Gables	438,297
Total Assets Acquired	26,000,000
Total Consideration	$ 26,000,000

Albright LIFE Programs

On October 7, 2021, Albright entered into an asset purchase agreement with SpiriTrust Lutheran LIFE (SpiriTrust) to buy SpiriTrust's right, title, and interest in the two LIFE Program operations located in Franklin County, Pennsylvania and Cumberland County, Pennsylvania. The transaction closed on August 1, 2023 and all activity since the date of acquisition is included in the consolidated statement of operations and changes in net deficit for the year ended December 31, 2023. The total purchase price of the acquisition was $1,500,000 consisting of $935,256 in cash, $463,810 of receivables cleared that were due from SpiriTrust to ThriveWell Tech, LLC, and $100,934 of service fee receivables cleared that were due from SpiriTrust to Albright. Albright accounted for the acquisition using the purchase method of accounting. The purchase price was allocated to tangible and intangible assets acquired based on their estimated fair values at the acquisition date.

NOTE 1 ORGANIZATION (CONTINUED)

Business Combinations (Continued)

Albright LIFE Programs (Continued)

The following table summarizes the estimated fair values of the assets acquired at the date of acquisition:

	Amount
Prepaid and Other Current Assets	$ 52,301
Fixed Assets, Net	100,487
Intangibles - Customer List	1,347,212
Total Assets Acquired	1,500,000
Total Consideration	$ 1,500,000

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of ACOMM and its affiliates, Asbury Atlantic, HCBS, Asbury Place, Forest Ridge Manor, AFOUND, TAG, BDC, Albright, Warrior Run, and Asbury Living (collectively referred to as the Company). All significant intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements 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 and statutory reserves 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 consolidated balance sheets that equal the same such amounts shown in the consolidated statements of cash flows at December 31:

	2023	2022
Cash	$ 26,160,115	$ 18,943,185
Restricted Cash Included in Current Investments Held under Bond Indenture	11,281,578	10,044,319
Restricted Cash Included in Long-Term Investments Held under Bond Indenture	25,966,750	43,651,193
Restricted Cash Included in Statutory Reserves	29,541,616	28,892,297
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statements of Cash Flows	$ 92,950,059	$ 101,530,994

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are reported net of an allowance for credit losses to represent the Company's estimate of expected losses at the balance sheet date. The adequacy of the Company's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analyses of receivable portfolios by payor source and aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary.

Residents are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of invoice or claim submitted. Accounts more than 90 days past due are individually analyzed for collectability. When all collection efforts have been exhausted, the account is written off against the related allowance.

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 has 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 34% and 33% of the Company's total resident and client service revenues for the years ended December 31, 2023 and 2022, respectively.

Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. At December 31, 2023 and 2022, the allowance for estimate of expected credit losses was $2,390,483 and $1,895,806, respectively.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses (Continued)

Changes in the allowance for credit losses for the year ended December 31, 2023 were as follows:

Allowance for Credit Losses:	
Balance, Beginning of Year	$ 1,895,806
Provision for Losses	1,520,773
Amounts Written Off	(1,014,051)
Recoveries	(12,045)
Balance, End of Year	$ 2,390,483

Pledges Receivable and Fund Held in Trust

Contributions to be received after one year are discounted at an appropriate discounted rate commensurate with the risks involved. An allowance for uncollectible contributions receivable is provided based on management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

The Company has received as contributions various types of split-interest obligations, including perpetual trusts that are included in funds held in trust.

Amounts where the Company does not serve as trustee amounted to $3,419,102 and $2,871,521 as of December 31, 2023 and 2022, respectively. It is the policy of the Company to record such assets only when the Company's interest is deemed to be irrevocable by management and where there is sufficient information to quantify a fair and accurate valuation. The Company's beneficial interest is recorded at the discounted present value of the gift. When the proceeds from these assets are received, the amount received is used for purposes designated by the donor, if any.

Under the perpetual trust agreements, the Company has recorded the asset and recognized permanently restricted contribution revenue at the fair market value of their beneficial interest in the trust assets in the amount of $4,242,719 and $3,872,269 as of December 31, 2023 and 2022, respectively. Income earned on the trust assets and distributed to the Company is recorded as investment income on the consolidated statements of operations and changes in net deficit, unless otherwise restricted by the donor. Subsequent changes in fair value are recorded as valuation gain (loss) in beneficial interest in perpetual trusts in the net asset class with restrictions.

Obligations Under Deferred-Giving Arrangements

Under the charitable gift annuity agreements, the Company has recorded the assets at fair value and the liabilities to the donor or their beneficiaries at the present value of the estimated future payments to be distributed by the Company to such individuals. The amount of the contribution is the difference between the asset and the liability and is recorded as net assets without donor restrictions or net assets with donor restrictions. Subsequent changes in the split-interest obligations are recorded as a change in value of split-interest agreements in the net assets without donor restrictions and net assets with donor restrictions.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Income

Substantially all investments are held in an investment account with the Company, except investments held by Asbury Place, AFOUND, FRM, BDC, Warrior Run, and Albright. The investment pools are comprised of equity securities or equity mutual funds, bonds or bond mutual funds, alternative investments and cash. The equity securities and their related unrealized gains or losses are recorded above income (loss) from operations. The fixed income securities and other types of investments and their related unrealized gains or losses are recorded below income (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.

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. The fair values relating to certain alternative investments have been estimated by the funds' manager in the absence of readily ascertainable market values. 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.

Investment returns and related activity are allocated to each affiliate based on their proportion of their underlying holdings. The portion of investments that is available to fund current operating activities is included in current assets in the accompanying consolidated balance sheets. Donated investments are reported at their fair values at date of receipt.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Income (Continued)

As the need arises, the Company 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 removed from unrealized changes in market value and are recorded as realized losses in the accompanying consolidated statements of operations and changes in net deficit.

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 a 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.

Derivatives Policy – Debt

The Company manages some of its exposure to interest rate volatility through use of interest rate swap contracts. These contracts qualify as derivative financial instruments. The book values of the derivative instruments are adjusted to their estimated fair values at each balance sheet date. The Company has determined that, for continuing operations, the Company's derivatives do not meet the criteria for hedge accounting and, therefore, the change in fair value of all of the derivative instruments are included within the Company's performance indicator, income (loss) from operations.

Investments Restricted by the Board

Investments restricted by the board include assets set aside by the board of directors (the board) for benevolent care. The board retains control of these assets and may, at its discretion, subsequently use them for other board-designated purposes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

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 $5,000 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.

The Company reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. During 2023, Asbury Place recognized an impairment loss on fixed assets in the amount of $41,171,195 which is included with loss on discontinued operations on the consolidated statements of operations and changes in net deficit (see Note 18). No other impairment loss was recognized during 2023 or 2022.

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 consolidated statements of operations and changes in net deficit. Advertising expense was $878,061 and $1,071,851 for the years ended December 31, 2023 and 2022, respectively.

Other Intangible Assets

The Company recorded $5,480,000 of intangible assets from the affiliation of Asbury Place in August 2016 for the skilled nursing beds Certificate of Need. The Company recorded $1,250,000 of intangible assets from the HCBS purchase of the Certificate of Need for a Medicare-certified home health provider in 2015. The Company recorded $537,500 of goodwill from the purchase of Chandler Estates in October 2021. During 2023, the Company recorded $1,347,212 of intangible assets from the purchase of the two LIFE Program operations for the customer lists, and $1,100,710 of intangible assets from the purchase of Grace Park and Ivy Gables for in-place leases at the time of purchase.

Intangible assets are recorded at their estimated fair market value. Those intangible assets subject to amortization are amortized using the straight-line method over the estimated useful lives of the intangible assets from the date of acquisition, which is generally between 2 to 15 years. Amortization of intangible assets was $187,113 and $-0- for the years ended December 31, 2023 and 2022, respectively.

The Company reviews intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the assets are less than its carrying amount, management compares the carrying amount of the asset to its fair value in order to determine whether an impairment loss has occurred. The amount of impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. During 2023, Asbury Place wrote off intangible assets of $5,480,000 for the skilled nursing beds Certificate of Need (see Note 18). No other impairment loss on intangible assets was recognized for the years ended December 31, 2023 and 2022.

Donated Collections

Albright's collections include art and other items of historical significance and are maintained in the Slifer House Museum located on the RW campus. The collections, which were acquired through contributions, were recognized at fair value based upon an appraisal. Gains or losses from deaccessions of these items are reported on the accompanying consolidated statements of changes in net assets in the net assets with donor restrictions. Donated collections of $528,035 are included in property and equipment, net in the consolidated balance sheets for both the years ended December 31, 2023 and 2022.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Continuing-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.

Accrued Compensation and Related Items

The accrued compensation and related items include accruals as a result of having consolidated payroll and benefit functions.

Resident and Client Services Revenue

Resident and client 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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Client Services Revenue (Continued)

The Company offers four types of resident entrance-fee options that vary among AMV, AS, BV, SH, Asbury Place, and Albright: a standard declining refund option, a 50% refundable option, an 80% refundable option, and a nonrefundable option. A 90% refundable option was previously offered by BV, SH, AMV, AS, Asbury Place, and Albright. A 100% refundable option was previously offered by BV, SH, AMV, AS, and Albright. BV previously offered an additional standard nine-year declining refund and 25% refundable option. Albright previously offered seven and ten-year declining refund options. For the partially refundable options, the refund is fully amortized and there is no refundable portion.

Under the standard declining refund option offered at communities except Asbury Place, the entrance fee is amortized over a period of five years resulting in an entrance fee refund balance that declines 1.667% per month over the five-year period. After that period, the refund is fully amortized and there is no refundable portion.

Under the standard declining refund option offered at Asbury Place, the entrance fee is amortized over a period of 50 months resulting in an entrance fee refund balance that declines 2% per month over the 50-month period. After that period, the refund is fully amortized and there is no refundable portion.

At SH, for the one contract dated prior to June 30, 2004, the refund occurs upon the receipt of a successor entrance fee or one year from termination date. At Albright, for contracts dated prior to September 30, 2020, the refund occurs after the resident has vacated the independent living unit or one year from the termination date.

The nonrefundable entrance fees are classified as deferred revenue and are recognized as revenue on a straight-line basis over each individual resident's expected remaining life (time-based measurement).

Refundable entrance fees are recorded in the accompanying consolidated balance sheets as current liabilities. 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 fee is recorded as income.

The gross amounts of refund obligations are summarized below and are categorized as refundable entrance fees and standard entrance fees. The contingent refundable entrance fees are fixed in their amount but are refundable upon the receipt of a successor entrance fee, except at SH and Albright as noted above. Standard entrance fees are refundable upon termination of occupancy and the amount of refund is based upon the length of stay in the community.

Contingent refundable entrance fee liability represents an entrance fee which is refunded only upon reoccupancy by a subsequent resident. Entrance fees – deferred revenue represents the unamortized portion of the nonrefundable entrance fees.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Client Services Revenue (Continued)

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

	2023	2022
Entrance Fees - Refundable	$ 10,034,719	$ 11,518,477
Contingent Refundable Entrance Fee Liability	172,364,816	179,980,455
Entrance Fees - Deferred Revenue:		
25% to 100% Refundable Contracts	12,309,193	10,912,939
Standard Entry Fee Option Contracts:		
50-Month Contracts	3,507,240	2,831,865
Five Year Contracts	196,888,157	186,114,860
Seven Year Contracts	1,785,666	2,281,119
Nine Year Contracts	801,973	1,095,739
Ten Year Contracts	1,096	1,310
Nonrefundable Contracts	1,269,319	1,160,876
Total Entrance Fees - Deferred Revenue	216,562,644	204,398,708
Total Entrance Fees	$ 398,962,179	$ 395,897,640

The Company also records revenue related to resident room and board, which, depending on the facility and contract type, could also include housekeeping, laundry, and dining services. Revenue for physical, occupational, and speech therapy, as well as health personal care and social ancillary charges, is also recorded. Revenue is recognized when services are performed.

Revenue from management and professional services operated with TAG's employees is recognized when services are rendered under management contracts or at the time specific milestones have been reached under development contracts based on the terms of the agreements. The management and professional services revenue is included in other operating revenue.

The composition of resident and client services by primary payor is as follows for the years ended December 31:

	2023	2022
Medicaid	$ 38,949,426	$ 36,104,047
Medicare	37,182,452	34,483,280
Managed Care	2,314,400	1,760,193
Private Pay	155,654,061	147,278,480
Total Resident Services Revenue	$ 234,100,339	$ 219,626,000

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)

The composition of resident and client service revenue based on its service lines, method of reimbursement, and timing of revenue recognition for the years ended December 31, 2023 and 2022 are as follows:

	2023								
	Asbury Methodist Village	Asbury Solomons	Bethany Village	Springhill	Asbury, Inc.	Albright Care Services	Asbury Communities HCBS, Inc.	Chandler Estates	Total
Service Lines:									
Skilled Nursing Facility	$ 29,447,831	$ 6,358,212	$ 12,410,592	$ 10,300,369	$ 13,092,804	$ 19,988,699	$ -	$ -	$ 91,598,507
Assisted Living	13,375,251	2,172,288	9,719,817	2,321,779	6,251,956	4,500,863	-	1,887,406	40,229,360
Independent Living	31,339,643	10,635,130	11,204,207	6,032,679	6,178,524	5,280,324	-	1,381,038	72,051,545
Life Program	-	-	-	-	-	22,866,327	-	-	22,866,327
Pharmacy	-	-	-	-	-	4,243,267	-	-	4,243,267
Home Health and Home Care	-	-	-	-	434,051	-	1,663,520	-	2,097,571
Retail Sales and Other	172,959	73,218	273,803	228,874	43,740	221,168	-	-	1,013,762
Total	$ 74,335,684	$ 19,238,848	$ 33,608,419	$ 18,883,701	$ 26,001,075	$ 57,100,648	$ 1,663,520	$ 3,268,444	$ 234,100,339
Method of Reimbursement:									
Fee for Services	$ 74,162,725	$ 19,165,630	$ 33,334,616	$ 18,654,827	$ 25,957,335	$ 56,879,480	$ 1,663,520	$ 3,268,444	$ 233,086,577
Retail Sales and Other	172,959	73,218	273,803	228,874	43,740	221,168	-	-	1,013,762
Total	$ 74,335,684	$ 19,238,848	$ 33,608,419	$ 18,883,701	$ 26,001,075	$ 57,100,648	$ 1,663,520	$ 3,268,444	$ 234,100,339
Timing of Revenue and Recognition:									
Health Care Services Transferred Over Time	$ 74,162,725	$ 19,165,630	$ 33,334,616	$ 18,654,827	$ 25,957,335	$ 56,879,480	$ 1,663,520	$ 3,268,444	$ 233,086,577
Sales at Point in Time	172,959	73,218	273,803	228,874	43,740	221,168	-	-	1,013,762
Total	$ 74,335,684	$ 19,238,848	$ 33,608,419	$ 18,883,701	$ 26,001,075	$ 57,100,648	$ 1,663,520	$ 3,268,444	$ 234,100,339

	2022								
	Asbury Methodist Village	Asbury Solomons	Bethany Village	Springhill	Asbury, Inc.	Albright Care Services	Asbury Communities HCBS, Inc.	Chandler Estates	Total
Service Lines:									
Skilled Nursing Facility	$ 28,388,723	$ 6,616,246	$ 10,911,341	$ 8,914,617	$ 12,557,633	$ 19,215,391	$ -	$ -	$ 86,603,951
Assisted Living	12,503,493	2,159,457	9,241,089	2,321,109	6,942,433	3,691,439	-	1,822,025	38,681,045
Independent Living	29,910,698	10,011,937	10,266,570	5,591,725	5,594,616	4,913,058	-	1,254,069	67,542,673
Life Program	-	-	-	-	-	18,496,504	-	-	18,496,504
Pharmacy	-	-	-	-	-	4,489,426	-	-	4,489,426
Home Health and Home Care	-	-	-	-	509,571	-	2,391,073	-	2,900,644
Retail Sales and Other	152,861	57,646	242,962	213,467	41,430	203,391	-	-	911,757
Total	$ 70,955,775	$ 18,845,286	$ 30,661,962	$ 17,040,918	$ 25,645,683	$ 51,009,209	$ 2,391,073	$ 3,076,094	$ 219,626,000
Method of Reimbursement:									
Fee for Services	$ 70,802,914	$ 18,787,640	$ 30,419,000	$ 16,827,451	$ 25,604,253	$ 50,805,818	$ 2,391,073	$ 3,076,094	$ 218,714,243
Retail Sales and Other	152,861	57,646	242,962	213,467	41,430	203,391	-	-	911,757
Total	$ 70,955,775	$ 18,845,286	$ 30,661,962	$ 17,040,918	$ 25,645,683	$ 51,009,209	$ 2,391,073	$ 3,076,094	$ 219,626,000
Timing of Revenue and Recognition:									
Health Care Services Transferred Over Time	$ 70,802,914	$ 18,787,640	$ 30,419,000	$ 16,827,451	$ 25,604,253	$ 50,805,818	$ 2,391,073	$ 3,076,094	$ 218,714,243
Sales at Point in Time	152,861	57,646	242,962	213,467	41,430	203,391	-	-	911,757
Total	$ 70,955,775	$ 18,845,286	$ 30,661,962	$ 17,040,918	$ 25,645,683	$ 51,009,209	$ 2,391,073	$ 3,076,094	$ 219,626,000

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Benevolent Care

It is the Company's policy to track those expenses for residents in its facilities who cannot pay for all or a portion of their care and defines these expenses as benevolent care. Because the Company does not pursue collection of amounts determined to qualify as benevolent care, they are not reflected as revenue in the accompanying consolidated financial statements. Benevolent care provided to residents for the years ended December 31, 2023 and 2022 was $4,316,751 and $3,911,133, respectively.

Occupancy Percentages

During the years ended December 31, 2023 and 2022, 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:

	2023						
	Asbury Methodist Village	Asbury Solomons	Bethany Village	Springhill	Asbury, Inc.	Normandie Ridge	Riverwoods
Total Skilled Nursing Center **Occupancy**	**95%**	**81%**	**96%**	**91%**	**60%**	**94%**	**77%**
Medicaid	50%	36%	29%	42%	49%	48%	62%
Medicare	23%	10%	7%	3%	19%	26%	17%
Private Pay and Other	27%	54%	64%	55%	32%	26%	21%
	100%	100%	100%	100%	100%	100%	100%

	2022						
	Asbury Methodist Village	Asbury Solomons	Bethany Village	Springhill	Asbury, Inc.	Normandie Ridge	Riverwoods
Total Skilled Nursing Center **Occupancy**	**95%**	**87%**	**93%**	**87%**	**64%**	**89%**	**65%**
Medicaid	54%	34%	29%	39%	57%	44%	63%
Medicare	22%	12%	11%	7%	14%	25%	16%
Private Pay and Other	24%	54%	60%	54%	29%	31%	21%
	100%	100%	100%	100%	100%	100%	100%

Provider Relief Funds

During 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic had significant effects on global markets, supply chains, businesses, and communities.

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). Additionally, the U.S. Department of Homeland Security made available emergency relief funds through the Federal Emergency Management Agency (FEMA). Total grant funds approved and received by the Company was $9,157,001 and $8,324,754 for the years ended December 31, 2023 and 2022, respectively. The PRF and FEMA funds are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At December 31, 2023 and 2022, the Company recognized $7,385,859 and $10,982,200, respectively, as other operating revenue in the consolidated statements of operations and changes in net deficit. At December 31, 2023 and 2022, the Company recognized $1,771,141 and $-0-, respectively, as deferred revenue in the consolidated balance sheets. The Company believes the amounts have been recognized appropriately as of December 31, 2023 and 2022.

Contributions

Unconditional promises to give cash and other assets to the Company are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as restricted support if they are received with contribution-donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net deficit as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated statements of operations and changes in net deficit. Net assets with donor restrictions that are permanent in nature represent donor-restricted endowments to be held in perpetuity.

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.

Net assets with donor restrictions that are temporary in nature consist of assets held on behalf of Asbury Atlantic, Inc. by AFOUND, BV, and Albright. Albright also holds assets with donor restrictions that are temporary in nature. The net assets are primarily available to purchase equipment, provide benevolent care and for other health and educational services.

Net assets with donor restrictions that are perpetual in nature are amounts held by AFOUND and BV for the benefit of the Company. Albright also holds assets with donor restrictions that are perpetual in nature. The net assets held by AFOUND and Albright are held in investment portfolios with the objectives of providing long-term growth of capital and maximizing the return on assets over the long-term while diversifying investments within asset classes to reduce the impact of losses in single investments. The income from these net assets is unrestricted and has been expended to support benevolent care provided by Asbury Atlantic and Albright.

Income (Loss) from Operations

The accompanying consolidated statements of operations and changes in net deficit include income from operations, which is the Company's performance indicator. Changes in net assets (deficit) without donor restrictions, which are excluded from income from operations, consistent with industry practice, include unrealized gains (loss) on fixed income securities and other investments, income (loss) on discontinued operations, change in value of deferred-giving arrangements, and net assets released from restriction used for purchase of capital items.

Tax Status

ACOMM and affiliates, except TAG, are 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. TAG and related entities are organized as for-profit entities and are subject to federal and state income taxes. 2023 and 2022 income taxes for TAG and related entities are recorded as deferred tax liabilities and included in other long-term liabilities in the accompanying consolidated balance sheets to reflect temporary book and tax differences.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status (Continued)

The Company has implemented processes to ensure compliance with the Internal Revenue Service 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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

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.

Additionally, from time to time, the Company may be required to record, at fair value, other assets on a nonrecurring basis in accordance with accounting principles generally accepted in the United States of America. These adjustments to fair value usually result from the application of the lower-of-cost-or-market accounting or write down of individual assets. The Company has determined that there would be no impact to the accompanying financial statements as a result of the application of this standard.

Nonfinancial assets measured at fair value on a nonrecurring basis would include nonfinancial assets and nonfinancial liabilities measured at fair value in the second step of a goodwill impairment test, other real estate owned, and other intangible assets measured at fair value for impairment assessment.

The Company also adopted the policy of valuing certain financial instruments at fair value. This accounting policy allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Company has not elected to measure any existing financial instruments at fair value; however it may elect to measure newly acquired financial instruments at fair value in the future.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements – ASU 2016-13

The Company has adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Company adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Company's financial statements but did change how the allowance for credit losses is determined.

New Accounting Pronouncements – ASU 2020-04

In March 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-04, *Reference Rate Reform, (Topic 848)*. This new standard allows an entity to elect optional expedients and exceptions for applying United States Generally Accepted Accounting Principles (U.S. GAAP) to contracts, hedging relationships, and other transactions affected by reference rate reform upon the transition from the use of the London Interbank Offer Rate (LIBOR) to alternative reference rates. This standard provides this temporary election through December 31, 2022 (sunset date).

In December 2022, the Financial Accounting Standards Board (FASB) issued ASU 2022-06 to defer the sunset date of Reference Rare Reform (Topic 848). This new standard allows an entity to elect not to apply certain modification accounting requirements to contracts affected by reference rate reform as entities transition from LIBOR to alternative reference rates. The standard provides this temporary election through December 31, 2024, and cannot be applied to contract modifications that occur after December 31, 2024.

The Company adopted the requirements of this guidance effective January 1, 2023, and has elected to apply the provisions of these standards to the beginning of the period of adoption.

The Company's Series 2019A and 2019B MD Bonds, Series 2016B and 2016C TN Bonds, and Albright Series 2014 and 2018 Master Note agreements and the related interest rate swap agreements have LIBOR as a reference rate; however, the loan and interest rate swap agreements also refer to an alternative reference rate that would be substituted should LIBOR be discontinued during the terms of the original loan and interest rate swap agreements. During 2023, LIBOR was discontinued, and the loan and interest rate swap agreements substituted LIBOR with the Secured Overnight Financing Rate (SOFR) as the new reference rate. No other changes were made to the original loans and interest rate swaps as a result of this transaction.

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 22, 2024, the date the consolidated financial statements were issued.

NOTE 3 LIQUIDITY AND AVAILABILITY

As of December 31, 2023 and 2022, the Company has a working capital (deficit) of $34,810,086 and $(1,619,261), 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:

	2023	2022
Cash and Cash Equivalents	$ 26,160,115	$ 18,943,185
Investments	61,953,159	60,365,829
Accounts Receivable, Net	10,334,545	10,163,667
Pledges Receivable, Net	602,841	807,667
Other Receivables	13,581,370	12,926,959
Investments Held Under Bond Indenture	11,281,578	10,044,319
Total Financial Assets	$ 123,913,608	$ 113,251,626

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 board-restricted purposes, statutory liquid reserves, 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. However, the board-designated amounts could be made available, if necessary.

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.

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Medicare and Medicaid (Continued)

Skilled Nursing Facility Services

Medicare Reimbursement

Effective October 1, 2019, the Centers for Medicare and Medicaid Services (CMS) finalized the Patient Driven Payment Model (PDPM) to replace the prospective payment system (PPS) Medicare reimbursement system. 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. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

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.

Maryland Medicaid Reimbursement

Under the Maryland Medical Assistance Program (Maryland Medicaid), a facility’s resident care day rate is comprised of four cost centers: (1) administrative and routine (i.e. administration, training, laundry, housekeeping), (2) other patient care (i.e. pharmacy, food, social services, recreation), (3) capital (i.e. real estate tax and fair rental value), and (4) nursing services (all direct care).

Maryland Medicaid calculates annual regional prices on a state fiscal year basis for administrative and routine costs as well as other patient care costs. Facility-specific capital rates are set based on real estate taxes and fair rental value. These rates generally remain constant throughout the year. Nursing service rates are adjusted quarterly to capture fluctuations in residents’ acuity based on the Minimum Data Set assessment tool. If a facility’s case mix increases at a higher rate than the statewide average, its nursing services rate increases.

Pennsylvania Medicaid Reimbursement

The Commonwealth of Pennsylvania pays nursing facilities a prospective daily rate for medical assistance residents (Pennsylvania Medicaid). The daily rate is set annually based on data in the three most recently filed cost reports. The rate comprises three net operating components (resident care, other resident-related, and administrative) and one capital component.

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Medicare and Medicaid (Continued)

Skilled Nursing Facility Services (Continued)

Pennsylvania Medicaid Reimbursement (Continued)

The net operating components are based on the facilities' actual net operating costs per day and limited by peer-group ceilings. Resident-care operating costs are adjusted to reflect the acuity level of the facility's residents through a case-mix index. The case-mix index is measured quarterly, and the annual rate is adjusted for any changes on a quarterly basis.

The Commonwealth of Pennsylvania updates payment rates to nursing homes on July 1 of each year. The rates are scheduled to be updated each quarter for the most recent case-mix index for a facility's Pennsylvania Medicaid residents and rebased annually on July 1 of each year. The Company has utilized actual rates in the preparation of the financial statements.

The capital component is based upon the facilities' fair rental value. Typically, the daily rate paid to the nursing facility is considered payment in full with no end-of-year settlements.

Tennessee 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.

Medical Home Health Services

HCBS is entitled to Medicare and Medicaid payments for certain patient charges at rates determined by federal and state governments. Differences between established billing rates and payments from these programs are recorded as contractual adjustments to patient service revenue. Retroactive changes in reimbursement resulting from final determination by the state Medicaid authority or fiscal intermediaries are reflected as changes in estimates, generally in the year of determination. In the opinion of management, adequate provision has been made for adjustments, if any, that may result from such reviews.

Other

The Company has implemented a system wide voluntary compliance program instituted by the Company. This program is based on the elements of an effective program identified by the Office of Inspector General of the Department of Health and Human Services. The program includes a dedicated compliance officer, board oversight, written policies and procedures, a code of conduct, continuous education, periodic auditing, and an associate hotline.

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Other (Continued)

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 settlements 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 2023 or 2022.

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, 2023 and 2022. Subsequent changes that are determined to be the result of an adverse change in the resident’s ability to pay are recorded as credit loss expense.

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

State of Maryland Reserve Requirement

The state of Maryland requires AMV and AS to set aside reserves equal to 25% (previously 15% prior to January 1, 2023) of its net operating expenses (as defined) for the most recent fiscal year. As of December 31, 2023 and 2022, AMV and AS are in compliance with the reserve requirement. The total amount reserved for AMV is as follows as of December 31:

	2023	2022
Maryland Department of Aging Reserves:		
Operating Expenses	$ 94,263,625	$ 91,586,958
Less: Depreciation and Amortization Expense	(17,465,064)	(17,544,328)
Interest Expense	(4,715,436)	(3,740,448)
Net Operating Expenses	$ 72,083,125	$ 70,302,182
Total Operating Reserve (25% and 15% of Net Operating Expenses for the years ended) December 31, 2023 and 2022, respectively	$ 18,020,781	$ 10,545,327
Required Reserves for the Year Ended December 31 (100% of Total Operating Reserve)	$ 18,020,781	$ 10,545,327
Cash and Marketable Securities Available for Operating Reserve	$ 18,020,781	$ 17,575,546

The total amount reserved for AS is as follows as of December 31:

	2023	2022
Maryland Department of Aging Reserves:		
Operating Expenses	$ 20,863,750	$ 20,153,610
Less: Depreciation and Amortization Expense	(3,314,933)	(3,269,530)
Interest Expense	(771,665)	(660,940)
Net Operating Expenses	$ 16,777,152	$ 16,223,140
Total Operating Reserve (25% and 15% of Net Operating Expenses for the years ended) December 31, 2023 and 2022, respectively	$ 4,194,288	$ 2,433,471
Required Reserves for the Year Ended December 31 (100% of Total Operating Reserve)	$ 4,194,288	$ 2,433,471
Cash and Marketable Securities Available for Operating Reserve	$ 4,194,288	$ 4,055,785

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Pennsylvania Department of Insurance Reserve Requirements

On a calendar year basis, BV is required by the Continuing Care Provider Registrations and Disclosure Act of 1984 to maintain a working capital reserve equivalent to the greater of the total of debt service payments due during the next 12 months on account of any loans or 10% of the projected annual operating expenses, exclusive of depreciation and bad debt, computed only on the proportional share of financing or operating expenses that are applicable to residents of BV under continuing care agreements. The statutory minimum liquid reserve requirement as of December 31, 2023 and 2022 is $4,019,931 and $4,214,255, respectively, and is based on the projected annual debt service requirements for BV. The statutory minimum liquid reserve requirement as of December 31 for BV is as follows:

	2023	2022
Projected Annual Interest Expense	$ 3,773,089	$ 3,817,651
Principal Payments Due on Long-Term Debt	1,982,002	2,255,638
Liquid Reserve Requirement	5,755,091	6,073,289
Projected Annual Operating Expenses	34,531,658	32,545,596
Minimum Rate	10%	10%
Liquid Reserve Requirement	3,453,166	3,254,560
Maximum Liquid Reserve Requirement	5,755,091	6,073,289
Approximate Percentage of Continuing Care Clients	70%	69%
Statutory Minimum Liquid Reserve	$ 4,019,931	$ 4,214,255

SH must adhere to the same reserve requirements. The statutory minimum liquid reserve requirement as of December 31, 2023 and 2022 is $1,167,558 and $1,126,503, respectively. The 2023 reserve is based on the projected annual debt service requirements for SH and the 2022 reserve is based on 10% of the projected annual operating expenses exclusive of depreciation and bad debt. The statutory minimum liquid reserve requirement as of December 31 for SH is as follows:

	2023	2022
Projected Annual Interest Expense	$ 1,384,422	$ 1,216,377
Principal Payments Due on Long-Term Debt	636,624	609,361
Liquid Reserve Requirement	2,021,046	1,825,738
Projected Annual Operating Expenses	20,161,198	19,279,537
Minimum Rate	10%	10%
Liquid Reserve Requirement	2,016,120	1,927,954
Maximum Liquid Reserve Requirement	2,021,046	1,927,954
Approximate Percentage of Continuing Care Clients	58%	58%
Statutory Minimum Liquid Reserve	$ 1,167,558	$ 1,126,503

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Pennsylvania Department of Insurance Reserve Requirements (Continued)

NR must adhere to the same reserve requirements. The statutory minimum liquid reserve requirement as of December 31, 2023 and 2022 is $1,028,278 and $960,996, respectively, and is based on 10% of the projected annual operating expenses exclusive of depreciation and bad debt. The statutory minimum liquid reserve requirement as of December 31 for NR is as follows:

	2023	2022
Projected Annual Interest Expense	$ 236,676	$ 292,210
Principal Payments Due on Long-Term Debt	759,335	727,356
Liquid Reserve Requirement	996,011	1,019,566
Projected Annual Operating Expenses	16,157,726	15,232,150
Minimum Rate	10%	10%
Liquid Reserve Requirement	1,615,773	1,523,215
Maximum Liquid Reserve Requirement	1,615,773	1,523,215
Approximate Percentage of Continuing Care Clients	64%	63%
Statutory Minimum Liquid Reserve	$ 1,028,278	$ 960,996

RW must adhere to the same reserve requirements. The statutory minimum liquid reserve requirement as of December 31, 2023 and 2022 is $1,110,780 and $959,212, respectively, and is based on 10% of the projected annual operating expenses exclusive of depreciation and bad debt. The statutory minimum liquid reserve requirement as of December 31 for RW is as follows:

	2023	2022
Projected Annual Interest Expense	$ 274,602	$ 304,672
Principal Payments Due on Long-Term Debt	770,053	736,661
Liquid Reserve Requirement	1,044,655	1,041,333
Projected Annual Operating Expenses	21,669,536	20,637,098
Minimum Rate	10%	10%
Liquid Reserve Requirement	2,166,954	2,063,710
Maximum Liquid Reserve Requirement	2,166,954	2,063,710
Approximate Percentage of Continuing Care Clients	51%	46%
Statutory Minimum Liquid Reserve	$ 1,110,780	$ 959,212

Pennsylvania statute also requires that all 10% deposits made by future residents of units be held in escrow. These funds are held in cash and cash equivalents.

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 patients and third-party payors was as follows at December 31:

	2023	2022
Private Pay	36 %	37 %
Medicaid	25	22
Medicare	23	24
Other (Primarily Managed Care and Insurance)	16	17
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:

	2023	2022
Investments:		
Cash and Short-Term Investments	$ 8,572,245	$ 4,087,373
Fixed-Income Securities and Mutual Funds	18,127,908	18,523,750
Equity Securities and Equity Mutual Funds	23,226,859	21,295,630
Alternative Investments	12,026,147	16,459,076
Total Investments	$ 61,953,159	$ 60,365,829
Investments Restricted by Donors:		
Cash and Short-Term Investments	$ 252,979	$ 249,763
Fixed-Income Securities and Mutual Funds	21,074,829	18,938,819
Equity Securities and Equity Mutual Funds	42,227,140	36,568,234
Real Estate Mutual Funds and Other	82,841	12,793
Total Investments Restricted by Donors	$ 63,637,789	$ 55,769,609
Statutory Reserves:		
Cash and Short-Term Investments	$ 29,541,616	$ 28,892,297
Investments Held under Bond Indenture:		
Cash and Short-Term Investments	$ 37,248,328	$ 53,695,512
Investments Restricted by Board:		
Cash and Short-Term Investments	$ 618,252	$ 51,493
Fixed-Income Securities and Mutual Funds	1,340,540	1,393,528
Equity Securities and Equity Mutual Funds	2,556,034	2,515,264
Alternative Investments	392,966	605,828
Total Investments Restricted by Board	$ 4,907,792	$ 4,566,113

NOTE 6 INVESTMENTS (CONTINUED)

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

	2023	2022
Debt-Service Fund	$ 10,216,953	$ 9,842,376
Debt-Service Reserve Fund	18,525,303	18,068,735
Capital Improvement Fund	3,135,859	2,921,247
Project Fund	5,370,213	22,863,154
Total	37,248,328	53,695,512
Less: Current Portion	(11,281,578)	(10,044,319)
Long-Term Portion of Bond Indenture	$ 25,966,750	$ 43,651,193

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

	2023	2022
Included within the Company's Performance Indicator:		
Interest and Dividend Income, Net	$ 6,255,988	$ 4,117,710
Net Realized Loss on Investments	(2,973,766)	(4,880,973)
Net Unrealized Gain (Loss) on Equity Security Investments	15,590,317	(25,803,233)
Net Unrealized Gain (Loss) on Change in Market Value of Derivative Instruments	(501,298)	4,997,734
Total	18,371,241	(21,568,762)
Included in Other Changes in Net Deficit:		
Net Unrealized Gain (Loss) on Fixed Income Securities and Other Investments	1,120,984	(678,844)
Included in Net Assets With Donor Restrictions:		
Net Investment Income (Loss)	831,205	(643,906)
Total	$ 20,323,430	$ (22,891,512)

The Company engages professionals to manage its investment portfolio within guidelines of the Company's board-approved investment policy. As the need arises, management 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, 2023 and 2022, the Company did not identify any other than temporary declines in the fair value of investments.

NOTE 7 PROPERTY AND EQUIPMENT

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

	Useful Life	2023	2022
Land and Improvements	10 to 40 Years	$ 61,854,411	$ 60,851,199
Buildings and Improvements	10 to 40 Years	722,845,529	748,879,786
Furniture and Equipment	2 to 15 Years	98,121,276	97,009,103
Construction in Progress		914,823	1,118,785
Total		883,736,039	907,858,873
Less: Accumulated Depreciation		(515,074,079)	(518,673,850)
Property and Equipment, Net		$ 368,661,960	$ 389,185,023

Depreciation expense was $39,302,799 and $37,261,190 for the years ended December 31, 2023 and 2022, respectively.

NOTE 8 PLEDGES RECEIVABLE

Pledges receivable consist of pledges as well as estate and legacy notes and are recorded at their net present value using an estimated discounted rate. Pledges expected to be collected in more than one year are discounted based on payment terms. Estate and legacy notes are discounted based on the life expectancy of the donor(s) as these notes are not expected to be fulfilled until the donor(s) pass away. Pledges receivable consisted of the following at December 31:

	2023	2022
Amounts Expected to be Collected in:		
Less than One Year	$ 602,841	$ 807,667
One Year to Five Years	262,334	679,561
More than Five Years	239,445	405,395
Subtotal	1,104,620	1,892,623
Estate and Legacy Notes	8,498,003	5,529,872
Total	$ 9,602,623	$ 7,422,495

Pledges receivable were recorded net of reserve for uncollectible pledges of $26,828 and $133,449 as of December 31, 2023 and 2022, respectively.

AFOUND, BV, and Albright are the beneficiaries of various charitable gift annuities created by donors, the assets for which AFOUND, BV, and Albright are not the advisors. AFOUND, BV, and Albright have legally enforceable rights on claims to such assets after the donor’s or current beneficiary’s death. The present value of these funds held in trust by others, based on the donor’s or current beneficiary’s life expectancy, is recorded as a net asset with donor restrictions.

Obligations related to charitable gift annuities issued by AFOUND, BV, and Albright are recorded at the present value of the future interest payments based on the donor’s life expectancy.

NOTE 8 PLEDGES RECEIVABLE (CONTINUED)

Amounts donated in excess of the liability are recorded as donations with donor restrictions in the consolidated statements of operations and changes in net deficit. The present value of the liability is determined by discounting estimated future payments at the adjusted federal rate. This rate is adjusted annually and was 3.84% and 3.99% at December 31, 2023 and 2022, respectively. Changes in the present value of the liability are shown as changes in values of charitable gift annuities in the consolidated statements of operations and changes in net deficit.

AFOUND is required by Maryland state law to maintain segregated assets for all annuities issued in an amount at least equal to the sum of its outstanding charitable gift annuities liability discounted to present value. At December 31, 2023 and 2022, AFOUND had segregated $19,548,213 and $16,808,330 as investments restricted by donors in the accompanying consolidated balance sheets as of December 31, 2023 and 2022, respectively, and, therefore, has met its minimum reserve requirement at December 31, 2023 and 2022. BV and Albright are not subject to any requirements under the Commonwealth of Pennsylvania.

NOTE 9 DEBT

Long-term debt consisted of the following at December 31:

	Interest Rate	Dates	2023	2022
Asbury Living Series 2023 Bonds	Fixed Rate Taxable Acquisition Bonds	2025	$ 20,405,000	$ -
Chandler Estate, Inc. Loan	Variable Rates	2022 - 2041	6,720,764	6,978,579
Series 2022A PA Bonds	Variable Rate Revenue Bonds	2025 - 2037	9,970,397	2,914,924
Series 2022 MD Bonds	Fixed Rate Revenue Bonds	2037 - 2042	40,000,000	40,000,000
Series 2021A PA Bonds	Fixed Rate Revenue Bonds	2034 - 2041	27,235,000	27,235,000
Series 2021B PA Bonds	Variable Rate Revenue Bonds	2022 - 2034	18,275,000	19,255,000
Series 2019A MD Bonds	Variable Rate Revenue Bonds	2019 - 2023	-	110,000
Series 2019B MD Bonds	Variable Rate Revenue Bonds	2019 - 2027	3,816,000	3,887,000
Series 2019 PA Bonds	Fixed Rate Revenue Bonds	2021 - 2045	53,085,000	54,970,000
Series 2018A MD Bonds	Fixed Rate Revenue Bonds	2023 - 2036	78,070,000	82,540,000
Series 2018B MD Bonds	Fixed Rate Revenue Bonds	2022 - 2027	9,670,000	11,870,000
Albright Series 2018 Master Note	Variable Rates	2018 - 2035	10,449,000	11,603,000
Series 2016A TN Bonds	Fixed Rate Revenue Bonds	2024 - 2047	-	23,170,000
Series 2016B TN Bonds	Variable Rate Revenue Bonds	2018 - 2046	5,994,890	13,644,359
Series 2016C TN Bonds	Variable Rate Revenue Bonds	2017 - 2023	1,505,110	1,505,110
Albright Series 2014 Master Note	Variable Rates	2014 - 2040	7,851,003	8,161,015
Total			293,047,164	307,843,987
Unamortized Bond Premium/Discount, Net			8,539,194	10,726,841
Unamortized Bond Financing Costs, Net			(5,184,876)	(5,423,071)
Current Portion Bonds Payable			(19,738,506)	(50,243,187)
Total Debt Payable			276,662,976	262,904,570
Forest Ridge Manor HUD Advance			3,293,600	3,293,600
BDC HUD-Insured Mortgage Payable			692,514	854,977
Warrior Run HUD-Insured Mortgage Payable			3,098,006	3,174,329
Note Payable			164,795	185,033
Forest Ridge Manor Affordable Housing Program Grant			-	134,101
Total			7,248,915	7,642,040
Current Portion Loans Payable			(266,093)	(393,144)
Total Loans Payable			6,982,822	7,248,896
Total Long-Term Debt			$ 283,645,798	$ 270,153,466

Asbury Living Series 2023 Bonds

In December 2023, Asbury Living entered into a loan agreement with 1170 West Main Street, LLC (the Issuer) pursuant to which the Issuer issued the Taxable Acquisition Bonds, Series 2023 (Series 2023 Bonds) in the aggregate principal amount of $20,405,000. The Series 2023 Bonds bear interest at an annual fixed rate of 8.50%.

The proceeds of the Series 2023 Bonds were used to finance the acquisition of Asbury Grace Park and Asbury Ivy Gables, fund a debt service reserve fund for the Series 2023 Bonds, and pay certain costs of issuance of the Series 2023 Bonds.

NOTE 9 DEBT (CONTINUED)

Chandler Estate, Inc. Loan

In November 2021, 1569 Teels Road, LLC obtained a loan in the amount of $7,000,000 to fund a portion of the purchase price for mortgaged property located in Pen Argyl, PA, known as Chandler Estate. The loan is payable over 15 years and bears interest at an annual rate equal to adjusted SOFR (secured overnight financing rate) plus a spread of 1.870%.

Series 2022A Pennsylvania (PA) Bonds

In July 2022, the Obligated Group entered into a loan agreement with Cumberland County Municipal Authority (the Authority) pursuant to which the Authority issued the (PA Obligated Group), Series 2022A Revenue Bonds, (the Series 2022A PA Bonds) in the aggregate principal amount of $18,000,000. The Series 2022A PA Bonds bear interest at an annual rate equal to adjusted SOFR (secured overnight financing rate) plus a spread of 1.343%. The PA Obligated Group has hedged its interest rate exposure associated with the 2022A PA Bonds as described in Note 10 below. As of December 31, 2023, $9,970,397 has been drawn down on the Series 2022A Bonds.

The proceeds of the Series 2022A PA Bonds will be used to finance improvements at the Bethany Village and Springhill campuses.

Series 2022 Maryland (MD) Bonds

In May 2022, the Obligated Group entered into a loan agreement with the City of Gaithersburg (the City) pursuant to which the City sold the Series 2022 Bonds. From the proceeds, the Obligated Group borrowed $40,000,000 of Economic Development Project Revenue Bonds Series 2022 (the Series 2022 MD Bonds), maturing on January 1, 2042. The Series 2022 Bonds are comprised of serial bonds at fixed rates between 4.50% and 5.125% with yields between 4.90% and 5.20%.

The proceeds of the Series 2022 MD Bonds were utilized to pay the costs of improving and renovating the facilities at the Asbury Methodist Village and Asbury Solomons facilities and to pay certain expenses incurred in connection with the issuance of the Series 2022 MD Bonds.

Series 2021 Pennsylvania (PA) Bonds

In June 2021, the Asbury Pennsylvania Obligated Group (PA Obligated Group) and the Cumberland County Municipal Authority (the Authority) entered into certain agreements pursuant to which, among other things, the Authority agreed to issue the Series 2021A Bonds (2021A PA Bonds) and the Series 2021B Bonds (2021B PA Bonds) and, when issued, the Authority agreed to loan the proceeds thereof to the PA Obligated Group.

The Authority issued the 2021A PA Bonds and 2021B PA Bonds in October 2021.

The PA Obligated Group used a portion of the proceeds of the 2021A PA Bonds in the original par amount of $27,235,000, together with (i) proceeds of a term loan from the bank in the original par amount of $20,380,000 (2021 PA Term Loan), and (ii) other available funds, to refund all of the Authority’s outstanding Series 2012 PA Bonds, the proceeds of which had been loaned by the Authority to the PA Obligated Group.

NOTE 9 DEBT (CONTINUED)

Series 2021 Pennsylvania (PA) Bonds (Continued)

The PA Obligated Group also used proceeds from the 2021A Bonds to fund a debt service reserve fund for the 2021A PA Bonds and to pay certain expenses incurred in connection with the issuance of the 2021 PA Bonds. The 2021A PA Bonds bear interest at a fixed rate of 4.50% with yields between 3.85% and 4.00%. The bond agreements for the 2021A PA Bonds require other funds of the PA Obligated Group to be established and maintained by the bond trustee from time to time.

The PA Obligated Group used the proceeds from the 2021B PA Bonds in the original par amount of $20,380,000 to repay in full the 2021 PA Term Loan.

The 2021B PA Bonds were directly purchased by an affiliate of the Bank. The 2021B PA Bonds bear interest at an annual rate equal to adjusted SOFR (secured overnight financing rate) plus a spread of 1.41%. The PA Obligated Group has hedged its interest rate exposure associated with the 2021B PA Bonds as described in Note 10 below.

Series 2019 Maryland (MD) Bonds

In November 2019, the Asbury Maryland Obligated Group (MD Obligated Group) entered into a loan agreement with the City of Gaithersburg (the City) pursuant to which the City sold the Series 2019A and Series 2019B Bonds. From the proceeds, the MD Obligated Group borrowed $16,009,000 of Economic Development Project and Refunding Revenue Bonds Series 2019 (the Series 2019 MD Bonds), which was compromised of $11,009,000 of Series 2019A Bonds and $5,000,000 of Series 2019B Bonds maturing on November 1, 2023 and November 1, 2027, respectively. The Series 2019 MD Bonds bear interest at an annual rate based on one-month SOFR plus a spread of 1.00%.

Effective December 28, 2022, the MD Obligated Group executed an amendment to the loan agreement that changed the interest rate reference from LIBOR to SOFR. The previous rate under LIBOR was equal to 81% of the sum of one-month LIBOR plus 1.0%, multiplied by a margin rate. This change was not considered a substantial modification to the contract.

The proceeds of the Series 2019 MD Bonds were utilized to refund all of the Series 2009B MD Bonds, to pay the costs of improving and renovating the facilities at the Asbury Methodist Village location, and to pay certain expenses incurred in connection with the issuance of the Series 2019 MD Bonds.

Series 2019 Pennsylvania (PA) Bonds

In December 2019, the PA Obligated Group entered into a loan agreement with Cumberland County Municipal Authority (the Authority) pursuant to which the Authority sold the Series 2019 bonds. From the proceeds, the PA Obligated Group borrowed $59,480,000 of Refunding Revenue Bonds Series 2019, (the Series 2019 PA Bonds). The Series 2019 PA Bonds are comprised of serial bonds at fixed rates between 2.5% and 5.0% with yields between 2.70% and 3.96%.

NOTE 9 DEBT (CONTINUED)

Series 2019 Pennsylvania (PA) Bonds (Continued)

The proceeds of the Series 2019 PA Bonds were used to refund all of the Series 2010 PA Bonds, to fund the debt service reserve fund, and to pay certain expenses incurred in connection with the issuance of the Series 2019 PA Bonds.

As required by the bond agreements, the PA Obligated Group established various reserve funds from the proceeds of the bonds. The respective bond agreements require certain other funds to be established and maintained by the bond trustee.

Series 2018 Maryland (MD) Bonds

In October 2018, the MD Obligated Group entered into a loan agreement with the City of Gaithersburg (the City) pursuant to which the City sold the Series 2018A and Series 2018B Bonds. From the proceeds, the MD Obligated Group borrowed $96,120,000 of Economic Development Project and Refunding Revenue Bonds Series 2018 (the Series 2018 MD Bonds), which was compromised of $82,565,000 of Series 2018A Bonds and $13,555,000 of Series 2018B Bonds. The Series 2018A Bonds bear interest at fixed rates between 4% and 5% and maturities range from January 1, 2023 to January 1, 2036. The Series 2018B Bonds bear interest at a fixed rate of 5.0% and mature on January 1, 2027.

The proceeds of the Series 2018 MD Bonds were utilized to refund all of the Series 2006A MD Bonds and the Series 2014A MD Bonds, to pay $7,500,000 of the costs of improving and renovating the facilities at the Asbury Methodist Village location, to fund the debt service reserve fund, and to pay certain expenses incurred in connection with the issuance of the Series 2018 MD Bonds.

Albright Series A 2018 Master Note

During the year ended December 31, 2018, Albright obtained a Series A 2018 tax exempt loan in the amount of $14,404,000 to provide for the current refunding of the Series A 2013 and Series A 1997 debt. The note is payable over a term of 17 years with interest at a variable rate based on 30-day SOFR plus a spread of 1.39%. Effective March 7, 2023, Albright executed an amendment to the loan documents that changed the interest rate reference from LIBOR to SOFR. The previous rate under LIBOR was equal to a variable rate of 79% of 30-day LIBOR plus 1.39%. The change was not considered a substantial modification to the contract. Albright entered into an interest rate swap agreement which fixed the interest rates at 4.235% (Note 10).

Albright Series B 2018 Master Note

During the year ended December 31, 2018, Albright obtained a Series B 2018 taxable term loan in the amount of $1,503,000. The note is payable over a term of 7 years with interest at a variable rate based on 30-day SOFR plus a spread of 1.65%. Effective February 22, 2023, Albright executed an amendment to the loan documents that changed the interest rate reference from LIBOR to SOFR. The previous rate under LIBOR was equal to a variable rate of 79% of 30-day LIBOR plus 1.65%. The change was not considered a substantial modification to the contract.

NOTE 9 DEBT (CONTINUED)

Series 2016 Asbury Place (TN) Bonds

In October 2016, Asbury Place issued its $23,170,000 Revenue Refunding and Improvement Bonds (Series 2016A TN Bonds) through The Health and Educational Facilities Board of Blount County, Tennessee (THEFB). The purpose of the financing is primarily to provide funds, together with other available funds, to refund the outstanding Series 2010 TN Bonds, to pay a portion of the costs of improving and renovating the facilities at the 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 TN Bonds. Interest on the Series 2016A TN Bonds ranges from 4% to 5% and is payable on each January 1 and July 1, beginning on January 1, 2017.

Simultaneously with the issuance of the Series 2016A TN Bonds, Asbury Place also issued its $18,000,000 Revenue Improvement Bonds (Series 2016B TN Bonds) through THEFB. The primary purpose of the Series 2016B TN Bonds financing is to provide additional funds to pay the costs of improving and renovating the facilities at the Maryville and Kingsport locations and to pay certain expenses incurred in connection with the issuance of the Series 2016B TN Bonds.

Simultaneously with the issuance of the Series 2016A TN Bonds and Series 2016B TN Bonds, Asbury Place also issued its $6,236,858 Revenue Refunding Bonds (Series 2016C) through THEFB. The primary purpose of the Series 2016C TN Bonds financing was to refund the outstanding Series 2007A TN Bonds and to pay certain expenses incurred in connection with the issuance of the Series 2016C TN Bonds when they became callable on April 3, 2017. In addition, the Asbury Place forward-rate purchase agreement became effective.

Both the Series 2016B TN and Series 2016C TN Bonds are privately held bonds and bear interest at a variable rate based on one-month SOFR 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 improvements to the facilities.

Effective June 28, 2023, Asbury Place executed an amendment to the loan documents that changed the interest rate reference from LIBOR to SOFR. The previous rate under LIBOR was equal to a percentage of one-month LIBOR plus a fixed credit spread. The change was not considered a substantial modification to the contract.

As of December 31, 2023, the Series 2016 bonds were written down to a reduced settlement amount of $7,500,000. As a result, Asbury Place recognized an impairment loss of $31,264,221 which is included with loss on discontinued operations on the consolidated statements of operations and changes in net deficit. See Note 18.

NOTE 9 DEBT (CONTINUED)

Albright Series A 2014 Master Note

During the year ended December 31, 2014, Albright obtained a Series A 2014 Master Note with the maximum borrowing amount of $10,000,000 to provide financing to support the approved capital projects of Albright. The note is payable over a term of 25 years with interest at a variable rate based on 30-day SOFR plus a spread of 2.70%. Effective March 7, 2023, Albright executed an amendment to the loan documents that changed the interest rate reference from LIBOR to SOFR. The previous rate under LIBOR was equal to a variable rate of 30-day LIBOR plus 2.70%, times 68%. The change was not considered a substantial modification to the contract. Albright entered into an interest rate swap agreement which fixed the interest rate at 4.15% (Note 10).

Deferred Financing Costs

Deferred financing costs represent expenses (e.g., underwriting, legal, consulting, and other costs) incurred in connection with issuance of debt and are deferred and amortized over the life of the related indebtedness on a straight-line basis, which approximates the effective interest method. The amortization expense on deferred financing costs is included in interest expense and totaled $397,900 and $384,650 for the years ended December 31, 2023 and 2022, respectively.

Bond Premium and Discount

Bond premiums and discounts are comprised of the difference between the price at which a bond was sold and its fair value. Bond premiums and discounts are amortized on a straight-line basis into interest expense over the life of the bonds. The amortization expense on bond premiums and discounts included a reduction in interest expense of $870,530 and $910,196 for the years ended December 31, 2023 and 2022, respectively.

Liens and Covenants

Collateral for the debt includes the trustee-held funds, as well as a security interest in the assets, accounts receivable, general intangibles, chattel paper, and certain other items of the respective obligated group.

Under the Maryland Master Loan Agreements, the lenders have a first lien and claim on all receipts of the Maryland Obligated Group, except the restricted donations and contributions. The terms of the indenture agreements restrict the Company’s ability to create additional indebtedness, restrict its use of AMV and AS facilities, and require the Maryland Obligated Group to maintain stipulated insurance coverage. Additionally, the Maryland Obligated Group covenants require that it will fix, charge, and collect in each fiscal year amounts sufficient to meet a defined debt-service coverage ratio for the obligated group and will maintain a minimum days of cash-on-hand ratio. In addition, the Company has agreed to contribute cash to the Maryland Obligated Group under certain circumstances and, if necessary, to maintain its minimum days of cash-on-hand ratio.

NOTE 9 DEBT (CONTINUED)

Liens and Covenants (Continued)

Under the Pennsylvania Master Loan Agreements, the lenders have a first lien and claim on all receipts of the Pennsylvania Obligated Group, except the restricted donations and contributions. The terms of the indenture agreements restrict the Pennsylvania Obligated Group's ability to create additional indebtedness; restrict its use of SH and BV facilities; and require the Pennsylvania Obligated Group to maintain stipulated insurance coverage. Additionally, the Pennsylvania Obligated Group covenants require that it will fix, charge, and collect in each fiscal year amounts sufficient to meet a defined annual debt-service coverage ratio for the obligated group and will maintain a minimum days of cash-on-hand ratio. In addition, the Company has agreed to contribute cash to the Pennsylvania Obligated Group under certain circumstances and, if necessary, to maintain its minimum days of cash-on-hand ratio.

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

Under the Albright Master Note Agreements, the lenders have a security interest in Albright's gross revenue, as defined in the indenture agreements, and by shared first lien mortgages on substantially all property and equipment now owned or hereafter acquired by the Albright. The first lien mortgages shall each be shared in priority and of equal parity with liens in place in favor of the Trustee for bondholders under the indenture. The Mortgage Note is collateralized by property and equipment.

Under the Chandler Estate, Inc. Loan Agreement, the lenders have a security interest in the mortgaged property and the assignment of leases and rents with respect to the mortgaged property.

Under the Asbury Living Master Indenture, the lenders have a security interest in Asbury Living's gross revenue, as defined in the indenture agreements, and all of the tangible and intangible property related to the facilities of the mortgaged property. Collateral does not include donor-restricted funds, funds of residents held by Asbury Living, and any funds pledged.

Additionally the members of the respective obligated groups 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 respective obligated groups.

NOTE 9 DEBT (CONTINUED)

Liens and Covenants (Continued)

The Company is subject to various covenants under the bond agreements. These covenants include various reporting, financial, and operational requirements. As of December 31, 2023 and 2022, Asbury Place was in an event of default on its debt obligations on the Series 2016 Bonds. In July 2023, Asbury Place executed a forbearance agreement with the trustee requesting temporary forbearance while Asbury Place negotiates and closes on a sale of substantially all of its assets (see Note 18). As of December 31, 2023 and 2022, these debts are classified as current on the consolidated balance sheets. As of December 31, 2023, management is not aware of any other noncompliance with covenants.

Paycheck Protection Program

During the year ended December 31, 2020, the Company received proceeds in the amount of $8,814,535 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). During the years ended December 31, 2021 and 2020, the Company received formal forgiveness from the Small Business Administration (SBA) in the amounts of $8,066,835 and $747,700, respectively. The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Company's consolidated financial statements.

Forest Ridge Manor HUD Advance

Forest Ridge Manor (FRM) obtained a capital advance from HUD, in the amount of $3,293,600 through the HUD Section 202 Capital Advance Program. Advances under this program bear no interest and are not required to be repaid so long as FRM remains available to very low-income households and continues to meet the requirements of HUD Section 202 until July 1, 2047, at which point the advance is forgiven. If default of the terms of the advance occurs, then HUD, at its option, may accelerate the entire principal balance. Upon acceleration, interest at the rate of 4.75% will be assessed from the date of the advance. In addition, monthly deposits for replacement reserves are required. The advance is collateralized by the project costs and the related land of FRM.

BDC HUD-Insured Mortgage Payable

BDC has a mortgage note that is HUD-insured pursuant to Section 223(f) that is payable in monthly installments of $15,185, including interest at an annual rate of 2.53% through December 2027. In addition, monthly deposits for replacement reserves are required. The mortgage note is secured by the apartment project.

NOTE 9 DEBT (CONTINUED)

Warrior Run Manor HUD-Insured Mortgage Payable

In December 2013, Warrior Run refinanced its Section 207 Mortgage Note Payable to HUD with a HUD insured mortgage under Section 2233(a)(7) pursuant to Section 207/223(f) of the National Housing Act and Regulations. During this refinancing, Warrior Run borrowed funds in excess of the existing debt to finance renovations to the Project. The excess funds borrowed were placed into an escrow account, which is restricted for use by HUD and must be approved by HUD before disbursements can be made. This amount is reflected in assets whose use is limited on the consolidated balance sheets.

Note Payable

In October 2017, AMV entered into a management agreement with Sodexo Operations, LLC (Sodexo). Within this agreement, there is a contract commitment whereas Sodexo shall purchase equipment for the services stated in the management agreement and/or provide renovations in support of the services in an amount not to exceed $7,000,000. Sodexo shall amortize the contract commitment on a straight-line basis over ten years, commencing with the date the equipment is placed in service or when renovation commences, as applicable. The balance of the contract commitment as of December 31, 2023 and 2022 is $164,795 and $185,033, respectively.

Forest Ridge Manor Affordable Housing Grant

FRM obtained an Affordable Housing Program (AHP) grant in the amount of $134,101. The grant bears no interest and is not required to be repaid and will be forgiven after fifteen years or the maturity date of July 20, 2023, as long as FRM maintained compliance with its requirements. Under the terms of the grant, FRM must maintain a residence for person having an income level at or below 50% of the median income estimate. During the year ended December 31, 2023, the grant was forgiven and FRM recognized $134,101 as other operating revenue on the consolidated statements of operations and changes in net deficit.

Line of Credit

Albright has an unsecured $2,500,000 revolving demand line of credit with a financial institution that is renewable annually. The line of credit bears interest at the bank’s prime rate plus 3.00% (6.25% as of December 31, 2023 and 2022). Borrowings on the line of credit totaled $-0- for both the years ended December 31, 2023 and 2022. The line of credit supports a letter of credit, in the amount of $500,000 as of December 31, 2023 and 2022, in connection with Albright’s participation in the LIFE program.

NOTE 9 DEBT (CONTINUED)

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:

Year Ending December 31,	Amount
2024	$ 20,004,599
2025	33,854,578
2026	14,470,514
2027	16,349,541
2028	12,261,143
Thereafter	203,355,704
Total	$ 300,296,079

NOTE 10 DERIVATIVE INSTRUMENTS

Certain of the Company's affiliates entered into various swap and forward-rate purchase agreements with certain investment companies, which reduce their exposure to volatility of interest rates on debt. Under these agreements, beginning on the effective date, these affiliates pay a fixed rate of interest, as noted in the table below, while the investment company pays the affiliate based on a floating rate as derived from a tax-exempt bond rate index or a percentage of Secured Overnight Financing Rate (SOFR). 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 consolidated statements of operations and changes in net deficit. The notional amounts decline over time to hedge the interest rate exposure for these affiliates. These agreements are with investment companies that have investment grade credit ratings from Standard & Poor's and Moody's. These agreements have 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.

Asbury Atlantic, on behalf of the PA Obligated Group, entered into a swap agreement in connection with the issuance of the 2022A PA Bonds. Under this agreement, Asbury Atlantic pays a fixed rate of interest of 3.456% and receives floating rate payments equal to adjusted SOFR (secured overnight financing rate) plus a spread of 1.343% based on a notional amount equal to the principal amount of the 2022A PA Bonds. Payments under the swap agreement will begin on July 1, 2024 and will terminate on July 1, 2036.

Asbury Atlantic, on behalf of the PA Obligated Group, entered into a swap agreement in connection with the issuance of the 2021B PA Bonds. Under this agreement, Asbury Atlantic pays a fixed rate of interest of 1.08% and receives floating rate payments equal to adjusted SOFR plus a spread of 1.41% based on a notional amount equal to the principal amount of the 2021B PA Bonds. Payments under the swap agreement began on October 4, 2021 and will terminate on June 1, 2033.

NOTE 10 DERIVATIVES INSTRUMENTS (CONTINUED)

Asbury Atlantic, on behalf of the MD Obligated Group, entered into swap agreements in connection with the issuance of the Series 2019 bonds. Under these agreements, Asbury Atlantic pays a fixed rate of interest of 2.2226% (Series 2019A) and 2.3090% (Series 2019B) and receives payments based on a floating rate based upon one-month SOFR. Payments on the Series 2019A agreement began on November 8, 2019 and will terminate on November 1, 2023. Payments on the Series 2019B agreement began on November 8, 2019 and will terminate on November 1, 2027. Effective December 28, 2022, the MD Obligated Group executed an amendment to the swap agreements that changed the interest rate reference from LIBOR to SOFR. The previous rate was based upon one-month LIBOR. This change was not considered a substantial modification to the contract.

Asbury Place entered into a forward contract concurrent with the issuance of the Series 2016 bonds. Under this agreement, Asbury Place pays a fixed rate of interest of 0.998% and received payments based on a floating rate based upon SOFR. Payments on this forward contract agreement began on May 1, 2017 and terminated on April 1, 2023. Effective June 28, 2023, Asbury Place executed an amendment to the swap agreement that changed the interest rate reference from LIBOR to SOFR. The previous rate was based upon 67% of LIBOR. This change was not considered a substantial modification to the contract.

Albright has two interest rate swap agreements which are considered derivative financial instruments with a financial institution. Albright entered into interest rate swap agreements to hedge variable interest rates on the Series 2014 Master Note and the Series 2018 Master Note, on December 15, 2015, and October 4, 2018, respectively, but elected not to elect hedge accounting for these arrangements. During 2023, Albright executed amendments to the 2014 and 2018 swap agreements that changed the interest rate reference from LIBOR to SOFR. This change was not considered a substantial modification to the contracts.

1569 Teels Road, LLC, on behalf of Chandler Estate, entered into a swap agreement in connection with the 2021 loan agreement. Under this agreement, 1569 Teels Road, LLC pays a fixed rate of interest of 3.751% and receives floating rate payments equal to adjusted SOFR (secured overnight financing rate) plus a spread of 1.870% based on a notional amount equal to the principal amount of the loan. Payments under the swap agreement will begin on November 15, 2021 and will terminate on November 15, 2036.

The following schedule outlines the terms and fair market values of the derivative instruments on December 31:

	TN Series 2016	MD Series 2019A	MD Series 2019B	Albright Series 2014	Albright Series 2018	PA Series 2021B	PA Series 2022A	Chandler Estate Loan Payable	Total
Notional Amount - December 31, 2023	$ -	$ -	$ 3,816,000	$ 7,851,003	$ 1,251,000	$ 18,275,000	$ 16,297,409	$ 6,720,764	
Trade Date	10/6/2016	11/8/2019	11/8/2019	12/18/2014	10/4/2018	6/4/2021	7/26/2022	11/15/2021	
Effective Date	4/3/2017	11/8/2019	11/8/2019	12/15/2015	10/4/2018	10/4/2021	7/1/2024	11/15/2021	
Termination or Cancellation Date	4/1/2023	11/1/2023	11/1/2027	12/15/2040	10/4/2025	6/1/2033	7/1/2036	11/15/2036	
Fixed Rate	0.998%	2.226%	2.309%	4.150%	4.235%	1.080%	3.456%	3.751%	
Fair Value at December 31, 2021	$ (13,561)	$ (8,385)	$ (110,348)	$ (436,818)	$ (87,849)	$ (182,508)	$ -	$ (244,087)	$ (1,083,556)
Unrealized Gain	18,686	9,699	356,786	784,977	114,166	2,089,180	373,202	1,251,038	4,997,734
Fair Value at December 31, 2022	5,125	1,314	246,438	348,159	26,317	1,906,672	373,202	1,006,951	3,914,178
Unrealized Gain (Loss)	(5,125)	(1,314)	(59,102)	(75,868)	(9,566)	(298,337)	90,674	(142,660)	(501,298)
Fair Value at December 31, 2023	$ -	$ -	$ 187,336	$ 272,291	$ 16,751	$ 1,608,335	$ 463,876	$ 864,291	$ 3,412,880

NOTE 10 DERIVATIVES INSTRUMENTS (CONTINUED)

The Company has included the fair market value of these derivative instruments as an asset of $3,412,880 and $3,914,178 as of December 31, 2023 and 2022, respectively, in the accompanying consolidated balance sheets.

Net unrealized gain (loss) on derivative instruments was ($501,298) and $4,997,734 in 2023 and 2022, respectively.

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were $54,005,361 and $51,084,150 as of December 31, 2023 and 2022, respectively. Included in net assets with donor restrictions are investments to be held in perpetuity totaling $45,476,595 and $43,168,849 as of December 31, 2023 and 2022, respectively. Investment income earned from the net assets with donor restrictions is available for operations of the supported organizations including funding of benevolent care unless otherwise specified by donor.

A summary of the net assets with donor restrictions that are to be held in perpetuity is as follows at December 31:

	2023	2022
Endowment Fund - Beginning of Year	$ 43,168,849	$ 40,835,176
Contributions	1,691,512	2,583,967
Net Investment Income (Loss)	759,074	(504,349)
Changes in Value of Obligations Under Charitable Gift Annuities	(142,840)	254,055
Endowment Fund - End of Year	$ 45,476,595	$ 43,168,849

NOTE 12 RETIREMENT PLAN

The Company, except FRM and BDC, 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. As of December 31, 2023 and 2022, employees may elect to defer up to $22,500 and $20,500, respectively, of their base salary, subject to certain limitations. The employer match was previously 100% of the employee contributions up to 4% and 50% on the next 2% of contributions for each eligible employee. Effective May 2023, the employer match is 100% of the employee contributions up to 3% and 50% on the next 1% of contributions for each eligible employee.

The employer's contribution expense for the years ended December 31, 2023 and 2022 was $3,271,563 and $3,570,559, respectively.

NOTE 13 COMMITMENTS AND CONTINGENCIES

Caring Communities, a Reciprocal Risk Retention Group

The Company participates 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. The primary general and professional liability coverage has a limit of $1,000,000 per occurrence and a $3,000,000 annual aggregate. The excess general and professional liability coverage has a limit of $10,000,000 per claim and a $30,000,000 annual aggregate. This policy has been renewed through December 31, 2024.

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 February 2024, 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.

The Company executed a subscription agreement and made capital contributions in exchange for an interest in a CCrRRG Charter Capital Account. Through December 31, 2023, the Company’s capital contributions were $560,508 which represents 2.09% 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

The Company has a self-funding arrangement for health insurance coverage. The Company has stop-loss coverage for any claim exceeding $200,000 per participant with unlimited reimbursement after a $50,000 aggregate deductible (one time across all claimants).

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 consolidated financial position or results of operations.

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Lease Commitments

The Company leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2040. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

The following table provides quantitative information regarding the Company's leases.

	2023	2022
Lease Costs:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	$ 330,724	$ 98,228
Interest on Lease Liabilities	18,568	4,578
Operating Lease Cost	3,683,720	3,499,543
Total Lease Cost	$ 4,033,012	$ 3,602,349
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	$ 18,568	$ 4,578
Operating Cash Flows from Operating Leases	3,683,720	3,499,543
Financing Cash Flows from Finance Leases	306,166	162,422
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	257,271	529,984
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	7,301,442	612,769
Weighted-Average Remaining Lease Term - Finance Leases	3.14 Years	2.73 Years
Weighted-Average Remaining Lease Term - Operating Leases	9.66 Years	5.67 Years
Weighted-Average Discount Rate - Finance Leases	2.00%	2.00%
Weighted-Average Discount Rate - Operating Leases	2.90%	2.76%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2023 is as follows:

Year Ending December 31,	Operating Leases	Finance Leases
2024	$ 2,572,333	$ 332,735
2025	2,359,031	216,293
2026	2,030,886	155,760
2027	1,931,644	65,987
2028	1,618,746	16,987
Thereafter	6,985,647	-
Total	17,498,287	787,762
Less: Interest Expense	(2,404,157)	(18,889)
Amounts Recognized in the Consolidated Balance Sheets	$ 15,094,130	$ 768,873

NOTE 14 FUNCTIONAL EXPENSES

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

	2023		
	Program Services	Supporting Services	
	Continuing Care Services	Management and General	Total
Salaries and Wages	$ 117,163,965	$ -	$ 117,163,965
Employee Benefits	27,124,390	-	27,124,390
Cost of Goods Sold	142,717	-	142,717
Contract Labor	21,928,412	-	21,928,412
Food Purchases	9,263,189	-	9,263,189
Medical Supplies and Other Resident Costs	22,137,279	-	22,137,279
General and Administrative	-	11,844,073	11,844,073
Building and Maintenance	32,689,006	-	32,689,006
Professional Fees and Insurance	4,076,253	-	4,076,253
Interest	14,002,479	-	14,002,479
Taxes	6,428,622	-	6,428,622
Provision for Credit Losses	1,508,728	-	1,508,728
Depreciation and Amortization	39,919,256	-	39,919,256
Total Functional Expenses	$ 296,384,296	$ 11,844,073	$ 308,228,369

	2022		
	Program Services	Supporting Services	
	Continuing Care Services	Management and General	Total
Salaries and Wages	$ 110,326,723	$ -	$ 110,326,723
Employee Benefits	22,921,633	-	22,921,633
Cost of Goods Sold	450,842	-	450,842
Contract Labor	26,339,243	-	26,339,243
Food Purchases	9,093,745	-	9,093,745
Medical Supplies and Other Resident Costs	22,404,353	-	22,404,353
General and Administrative	-	12,999,741	12,999,741
Building and Maintenance	30,505,286	-	30,505,286
Professional Fees and Insurance	3,596,876	-	3,596,876
Interest	12,482,372	-	12,482,372
Taxes	6,888,814	-	6,888,814
Provision for Credit Losses	128,796	-	128,796
Depreciation and Amortization	37,479,893	-	37,479,893
Total Functional Expenses	$ 282,618,576	$ 12,999,741	$ 295,618,317

Included in management and general expenses are other general and administration expenses.

NOTE 15 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.

Investments measured at fair value using net asset value per share include alternative investments. Alternative investments are those not listed on national exchanges or over-the counter markets, or for which quoted market prices are not readily available. The Company follows guidance related to the fair value measurement standard that was issued for estimating the fair value of investments in investment companies that have a calculated value of their capital account or net asset value (NAV) in accordance with, or in a manner consistent with a U.S. GAAP. As a practical expedient, the Company is permitted under U.S. GAAP to estimate the fair value of an investment at the measurement date using reported NAV without further adjustment unless the entity expects to sell the investment at a value other than NAV or if NAV is not calculated in accordance with U.S. GAAP.

The following table sets 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, 2023			
Recurring Fair Value Measures	Level 1	Level 2	Level 3	Total
Assets:				
Cash and Short-Term Investments	$ 76,233,420	$ -	$ -	$ 76,233,420
Fixed-Income Securities and Mutual Funds	40,543,277	-	-	40,543,277
Equity Securities and Mutual Funds	68,010,033	-	-	68,010,033
Real Estate Mutual Funds and Other	82,841	-	-	82,841
Derivative Instruments	-	3,412,880	-	3,412,880
Subtotal	184,869,571	3,412,880	-	188,282,451
Beneficial Interest in Perpetual Trusts	-	-	4,242,719	4,242,719
Investments Measured at Fair Value Using Net Asset Value Per Share	-	-	-	12,419,113
Total Assets	$ 184,869,571	$ 3,412,880	$ 4,242,719	$ 204,944,283

NOTE 15 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Recurring Fair Value Measures	At Fair Value as of December 31, 2022 Level 1	Level 2	Level 3	Total
Assets:				
Cash and Short-Term Investments	$ 86,976,438	$ -	$ -	$ 86,976,438
Fixed-Income Securities and Mutual Funds	38,856,097	-	-	38,856,097
Equity Securities and Mutual Funds	60,379,128	-	-	60,379,128
Real Estate Mutual Funds	12,793	-	-	12,793
Derivative Instruments	-	3,914,178	-	3,914,178
Subtotal	186,224,456	3,914,178	-	190,138,634
Beneficial Interest in Perpetual Trusts	-	-	3,872,269	3,872,269
Investments Measured at Fair Value Using Net Asset Value Per Share	-	-	-	17,064,904
Total Assets	$ 186,224,456	$ 3,914,178	$ 3,872,269	$ 211,075,807

The Company has a policy which permits investments in alternative investments that do not have a readily determinable fair value and, as such, uses the NAV per share as calculated on the reporting entity's measurement date as the fair value of the investment. A listing of the investments held by the Company and their attributes that may qualify for these valuations consist of the following as of December 31, 2023:

Investment/Strategy	Fair Value	Unfunded Commitments	Redemption Frequency*	Redemption Notice Period
Pantheon USA Fund VI	$ 35,304	$ 206,250	N/A - illiquid	N/A - illiquid
Pantheon Global Fund III	41,941	171,500	N/A - illiquid	N/A - illiquid
Ironwood International Ltd.	2,514,797	-	Semi Annually (on anniversary date)	95 calendar days
Ironwood Institutional Multi-Strategy Fund	316,139	-	Semi Annually (June 30 and Dec 31)	95 calendar days
Partners Group	2,319,157	-	Quarterly	20 business days
Blackstone Real Estate Income Trust, Inc.	2,001,234	-	Monthly	7 days prior to month-end
Nuveen Global Cities	1,856,505	-	Monthly	7 days prior to month-end
ACL Alternative Fund	982,972	-	Daily	N/A
Pomona Investment Fund	2,104,700	-	Quarterly	20 business days
Blue Owl Credit Income Corp.	124,449	-	Quarterly	20 business days
FS Credit Real Estate Income Trust	121,915	-	Monthly	7 days prior to month-end
Total	$ 12,419,113			

**Subject to Board approval for each period or as documented in the fund's prospectus*

NOTE 15 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table provides a summary of unobservable inputs related to the Company's beneficial interest in perpetual trusts as of December 31:

	2023		
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs
Beneficial Interest In Perpetual Trust	$ 4,242,719	FMV of Trust Investments	Term of Distributions

	2022		
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs
Beneficial Interest In Perpetual Trust	$ 3,872,269	FMV of Trust Investments	Term of Distributions

There were no purchases, sales or transfers for the years ended December 31, 2023 and 2022 related to the beneficial interest in perpetual trusts.

NOTE 16 INCOME TAXES

The components of the taxable subsidiaries' (benefit) provision for income taxes consist of the following for the years ended December 31:

	2023	2022
Current:		
Federal	$ 60,790	$ 32,671
State	161,374	79,882
Total Current	222,164	112,553
Deferred:		
Federal	66,134	321,790
State	36,689	245,064
Total Deferred	102,823	566,854
Total	$ 324,987	$ 679,407

NOTE 16 INCOME TAXES (CONTINUED)

The components of deferred tax assets and liabilities are as follows at December 31:

	2023	2022
Net Operating Loss Carryforwards	$ 185,112	$ 420,827
Accrued Paid Time-Off Benefits	5,241	6,427
Accrued Expenses	-	11,323
Deferred Revenue	-	21,794
Prepaid Insurance	(17,703)	(18,212)
Intangibles	(23,167)	(12,904)
Investments	(234,557)	(290,969)
Depreciation	(123,107)	(213,779)
Federal Benefit of State Deferred	16,545	8,838
Provision for Bad Debt	24,223	595
Customer Lists	-	996
Contracts	-	474
Total	(167,413)	(64,590)
Valuation Allowance	-	-
Deferred Tax Liability	$ (167,413)	$ (64,590)

NOTE 17 CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, 2023 and 2022, contributed nonfinancial assets recognized within the consolidated statements of operations and changes in net deficit included:

	Revenue Recognized in 2023	Revenue Recognized in 2022	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Real Property	$ -	$ 2,426,800	It is the Company's policy to sell all contributions of real property immediately upon receipt unless the real estate contribution is intended for use in a specific program by the donor or board.	No associated donor restrictions.	In valuing the contributed real property, the Company obtained appraisal reports which estimated the fair value based on recent comparable sales prices.
Real Property	$ 130,000	$ -	It is the Company's policy to sell all contributions of real property immediately upon receipt unless the real estate contribution is intended for use in a specific program by the donor or board. The donation was accepted to fund a charitable gift annuity.	Upon sale of real estate, the funds are held in perpetuity. The investment income earned is available for benevolent care.	In valuing the contributed real property, the Company obtained appraisal reports which estimated the fair value based on recent comparable sales prices.

NOTE 18 SUBSEQUENT EVENTS

On June 9, 2023, Asbury Place (seller), ACOMM (sponsor), and TAG (manager) entered into an Asset Purchase Agreement to sell substantially all the assets of Asbury Place to McFarlin Artisan, LLC (McFarlin), of which ACOMM is a 40% owner. Upon closing on January 1, 2024, McFarlin purchased, acquired, and assumed all of Asbury Place's respective right, title and interest in, to and under the CCRC assets, free of all liens and liabilities, other than permitted liens and any assumed liabilities, including entrance fee liabilities, as stated in the agreement. Pursuant to a forbearance agreement, the bond trustee agreed to settle the outstanding debt for a reduced amount of $7,500,000 which reflects the purchase price of Asbury Place. Additionally, Asbury Place recorded an impairment loss on its property and equipment and intangible assets to write it down to fair value of $7,500,000. The write down is included with loss on discontinued operations on the consolidated statements of operations and changes in net deficit for the year ended December 31, 2023. Proceeds from the sale were used to pay the bond trustee. There were no excess proceeds to satisfy outstanding obligations to the unsecured creditors. As a result, ACOMM recognized a loss on discontinued operations as of December 31, 2023 for amounts due from Asbury Place that were deemed uncollectible.

ASBURY COMMUNITIES, INC.
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	Asbury Communities, Inc.	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Asbury, Inc.	Asbury Living	Albright Care Services	Warrior Run Manor, Inc.
CURRENT ASSETS									
Cash and Cash Equivalents	$ 1,236,079	$ 4,211,956	$ 15,356	$ 1,689,763	$ 752,407	$ 6,446,472	$ 3,000,000	7,224,957	$ 116,827
Investments	6,104,051	33,405,162	388,363	8,306,265	459,552	865	-	13,254,449	-
Accounts Receivable	-	4,130,206	358,547	939,532	1,323,774	1,376,082	-	3,851,077	-
Allowance for Credit Losses	-	(649,864)	(13,068)	(96,705)	(502,285)	(300,462)	-	(698,463)	-
Pledges Receivable, Net	-	-	-	-	-	-	-	-	-
Other Receivables and Prepaid Expenses	802,949	4,633,813	2,934,347	1,744,305	409,389	431,780	247,164	1,978,851	34,269
Investments Held under Bond Indenture	-	5,942,660	751,405	2,271,703	582,934	1,732,876	-	-	-
Total Current Assets	8,143,079	51,673,933	4,434,950	14,854,863	3,025,771	9,687,613	3,247,164	25,610,871	151,096
Due from ACOMM, Net	-	52,750,331	22,822,179	27,369,666	-	-	-	-	-
Property and Equipment, Net	2,463,039	134,292,473	38,714,245	75,126,001	18,243,957	7,500,000	24,899,290	53,414,176	812,724
Right-Of-Use Assets - Operating Leases	2,238,677	447,197	90,658	308,749	189,967	368,910	-	10,694,393	-
Right-Of-Use Assets - Finance Leases	60,698	256,491	16,109	-	11,250	21,640	-	441,274	1,047
Investments Restricted by Donors	-	-	-	14,886,535	-	-	-	5,412,474	-
Deposits and Other Assets	1,160,237	378,814	-	-	9,509	32,907	-	465,246	25,249
Other Intangible Assets	-	-	-	-	-	-	1,100,710	1,160,099	-
Investments Held under Bond Indenture	-	12,880,739	1,272,331	6,288,245	1,633,082	6,494	750,000	-	723,825
Long-Term Investments	1,446,425	-	-	-	-	-	-	-	-
Statutory Reserves	-	18,020,781	4,194,288	4,019,931	1,167,558	-	-	2,139,058	-
Investments Restricted by Board	-	1,420,314	-	3,487,478	-	-	-	-	-
Pledges Receivable, Net	-	-	-	-	-	-	-	-	-
Funds Held in Trust	-	-	-	-	-	-	-	4,242,719	-
Beneficial Interest in Net Assets of Foundation and Other Perpetual Trust	-	20,873,390	3,738,241	9,729,799	695,299	53,009	-	1,794,196	-
Valuation of Derivative Instruments	-	187,336	-	1,462,459	609,752	-	-	289,042	-
Total Assets	$ 15,512,155	$ 293,181,799	$ 75,283,001	$ 157,533,726	$ 25,586,145	$ 17,670,573	$ 29,997,164	$ 105,663,548	$ 1,713,941

ASBURY COMMUNITIES, INC.
CONSOLIDATING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	Asbury Communities HCBS, Inc.	Asbury Foundation, Inc.	The Asbury Group, Inc.	Chandler Estates	Forest Ridge Manor, Inc.	Bethany Development Corporation	Eliminations	Consolidated Balance
CURRENT ASSETS								
Cash and Cash Equivalents	$ 104,116	$ 99,380	$ 50,593	$ 1,031,322	$ 4,109	$ 176,778	$ -	$ 26,160,115
Investments	-	-	-	-	-	34,452	-	61,953,159
Accounts Receivable	280,932	-	428,056	36,822	-	-	-	12,725,028
Allowance for Credit Losses	(45,338)	-	(78,057)	(6,241)	-	-	-	(2,390,483)
Pledges Receivable, Net	-	602,841	-	-	-	-	-	602,841
Other Receivables and Prepaid Expenses	97,284	45,335	308,039	59,259	36,032	11,650	(193,096)	13,581,370
Investments Held under Bond Indenture	-	-	-	-	-	-	-	11,281,578
Total Current Assets	436,994	747,556	708,631	1,121,162	40,141	222,880	(193,096)	123,913,608
Due from ACOMM, Net	-	-	-	-	-	-	(102,942,176)	-
Property and Equipment, Net	14,558	101,746	258,313	9,939,111	2,082,951	799,376		368,661,960
Right-Of-Use Assets - Operating Leases	-	-	7,750	314	70,960	-	-	14,417,575
Right-Of-Use Assets - Finance Leases	-	-	-	-	-	-	-	808,509
Investments Restricted by Donors	-	43,338,780	-	-	-	-	-	63,637,789
Deposits and Other Assets	500	-	-	-	18,121	56,158	-	2,146,741
Other Intangible Assets	1,250,000	-	-	537,500	-	-	-	4,048,309
Investments Held under Bond Indenture	-	-	-	-	146,947	2,265,087	-	25,966,750
Long-Term Investments	-	1,330,000	2,793,896	-	-	-	(1,291,616)	4,278,705
Statutory Reserves	-	-	-	-	-	-	-	29,541,616
Investments Restricted by Board	-	-	-	-	-	-	-	4,907,792
Pledges Receivable, Net	-	8,999,782	-	-	-	-	-	8,999,782
Funds Held in Trust	-	3,419,102	-	-	-	-	-	7,661,821
Beneficial Interest in Net Assets of Foundation and Other Perpetual Trust	163,340	-	-	-	-	-	(37,047,274)	-
Valuation of Derivative Instruments	-	-	-	864,291	-	-	-	3,412,880
Total Assets	$ 1,865,392	$ 57,936,966	$ 3,768,590	$ 12,462,378	$ 2,359,120	$ 3,343,501	$ (141,474,162)	$ 662,403,837

ASBURY COMMUNITIES, INC.
CONSOLIDATING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

LIABILITIES AND NET ASSETS (DEFICIT)	Asbury Communities, Inc.	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Asbury, Inc.	Asbury Living	Albright Care Services	Warrior Run Manor, Inc.
CURRENT LIABILITIES									
Accounts Payable and Accrued Expenses	$ 18,636,095	$ 983,623	$ 46,731	$ 164,224	$ 197,102	$ 1,205,382	$ -	1,195,544	$ 98,597
Accrued Compensation and Related Items	12,617,240	-	-	-	-	508,402	-	267,347	-
Accrued Interest Payable	-	2,689,752	416,895	1,539,803	433,224	2,980,207	-	65,362	9,552
Obligations under Deferred-Giving Arrangements	-	-	-	74,702	-	-	-	37,106	-
Deposits from Prospective Residents	-	2,315,945	258,655	940,791	214,804	177,856	33,226	405,386	-
Entrance Fees - Refundable	-	5,580,086	1,102,327	344,948	360,166	1,881,069	-	766,123	-
Deferred Revenue	-	460,085	69,246	354,930	282,477	613,051	-	993,390	-
Reserve for LIFE Program	-	-	-	-	-	-	-	3,454,003	-
Current Portion of Lease Liabilities - Operating Leases	521,655	198,147	47,013	132,860	74,072	140,372	-	981,963	-
Current Portion of Lease Liabilities - Finance Leases	14,708	143,495	9,221	-	5,824	14,257	-	140,628	254
Current Portion of Long-Term Debt	-	6,795,446	676,830	2,353,376	636,624	7,500,000	-	1,529,388	79,195
Total Current Liabilities	31,789,698	19,166,579	2,626,918	5,905,634	2,204,293	15,020,596	33,226	9,836,240	187,598
Due to ACOMM, Net	28,867,263	-	-	-	4,133,542	11,841,562	10,570,375	21,098,593	-
Long-Term Lease Liabilities - Operating Leases	2,168,639	249,050	43,645	175,889	115,895	228,537	-	9,937,369	-
Long-Term Lease Liabilities - Finance Leases	50,544	90,568	-	-	5,538	-	-	292,964	872
Long-Term Debt, Net	-	109,860,891	16,819,754	83,813,775	24,033,079	-	19,393,563	16,613,741	2,942,758
Contingent Refundable Entrance Fee Liability	-	95,596,114	24,131,173	11,862,238	14,222,408	21,441,376	-	5,111,507	-
Entrance Fees - Deferred Revenue	-	94,194,663	36,661,661	45,567,961	10,182,632	7,511,170	-	22,444,557	-
Obligations under Deferred-Giving Arrangements	-	-	-	116,865	-	-	-	91,335	-
Other Long-Term Liabilities	-	1,500,000	-	-	-	-	-	-	-
Total Liabilities	62,876,144	320,657,865	80,283,151	147,442,362	54,897,387	56,043,241	29,997,164	85,426,306	3,131,228
NET ASSETS (DEFICIT)									
Without Donor Restrictions	(47,363,989)	(48,349,456)	(8,738,391)	(7,011,886)	(30,006,542)	(38,609,784)	-	9,334,402	(1,417,287)
With Donor Restrictions	-	20,873,390	3,738,241	17,103,250	695,300	237,116	-	10,902,840	-
Total Net Assets (Deficit)	(47,363,989)	(27,476,066)	(5,000,150)	10,091,364	(29,311,242)	(38,372,668)	-	20,237,242	(1,417,287)
Total Liabilities and Net Assets (Deficit)	$ 15,512,155	$ 293,181,799	$ 75,283,001	$ 157,533,726	$ 25,586,145	$ 17,670,573	$ 29,997,164	$ 105,663,548	$ 1,713,941

ASBURY COMMUNITIES, INC.
CONSOLIDATING BALANCE SHEET (CONTINUED)
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(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Communities HCBS, Inc.	Asbury Foundation, Inc.	The Asbury Group, Inc.	Chandler Estates	Forest Ridge Manor, Inc.	Bethany Development Corporation	Eliminations	Consolidated Balance
LIABILITIES AND NET ASSETS (DEFICIT)								
CURRENT LIABILITIES								
Accounts Payable and Accrued Expenses	$ 12,471	$ 47,796	$ 137,398	$ 7,736	$ 45,615	$ 234,809	$ (193,096)	$ 22,820,027
Accrued Compensation and Related Items	31,061	-	344,847	52,431	2,480	39,405	-	13,863,213
Accrued Interest Payable	-	-	-	10,854	-	1,460	-	8,147,109
Obligations under Deferred-Giving Arrangements	-	641,495	-	-	-	-	-	753,303
Deposits from Prospective Residents	-	-	-	222,185	-	14,059	-	4,582,907
Entrance Fees - Refundable	-	-	-	-	-	-	-	10,034,719
Deferred Revenue	1,875	-	69,036	2,006	45	-	-	2,846,141
Reserve for LIFE Program	-	-	-	-	-	-	-	3,454,003
Current Portion of Lease Liabilities - Operating Leases	-	-	1,775	297	70,960	-	-	2,169,114
Current Portion of Lease Liabilities - Finance Leases	-	-	-	-	-	-	-	328,387
Current Portion of Long-Term Debt	-	-	-	267,118	-	166,622	-	20,004,599
Total Current Liabilities	45,407	689,291	553,056	562,627	119,100	456,355	(193,096)	89,003,522
Due to ACOMM, Net	2,722,077	16,914,226	2,843,212	3,951,326	-	-	(102,942,176)	-
Long-Term Lease Liabilities - Operating Leases	-	-	5,975	17	-	-	-	12,925,016
Long-Term Lease Liabilities - Finance Leases	-	-	-	-	-	-	-	440,486
Long-Term Debt, Net	-	-	-	6,375,472	3,293,600	499,165	-	283,645,798
Contingent Refundable Entrance Fee Liability	-	-	-	-	-	-	-	172,364,816
Entrance Fees - Deferred Revenue	-	-	-	-	-	-	-	216,562,644
Obligations under Deferred-Giving Arrangements	-	2,994,292	-	-	-	-	-	3,202,492
Other Long-Term Liabilities	-	-	167,413	-	-	-	-	1,667,413
Total Liabilities	2,767,484	20,597,809	3,569,656	10,889,442	3,412,700	955,520	(103,135,272)	779,812,187
NET ASSETS (DEFICIT)								
Without Donor Restrictions	(1,065,433)	-	198,934	1,572,936	(1,053,580)	2,387,981	(1,291,616)	(171,413,711)
With Donor Restrictions	163,341	37,339,157	-	-	-	-	(37,047,274)	54,005,361
Total Net Assets (Deficit)	(902,092)	37,339,157	198,934	1,572,936	(1,053,580)	2,387,981	(38,338,890)	(117,408,350)
Total Liabilities and Net Assets (Deficit)	$ 1,865,392	$ 57,936,966	$ 3,768,590	$ 12,462,378	$ 2,359,120	$ 3,343,501	$ (141,474,162)	$ 662,403,837

ASBURY COMMUNITIES, INC.
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET DEFICIT
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Communities, Inc.	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Asbury, Inc.	Asbury Living	Albright Care Services	Warrior Run Manor, Inc.
REVENUES, GAINS, AND OTHER SUPPORT									
Resident and Client Service Revenue	$ -	$ 74,335,684	$ 19,238,848	$ 33,608,419	$ 18,883,701	$ 26,001,075	$ -	62,311,545	$ -
Other Operating Revenue	21,392,699	1,656,376	258,484	2,371,356	635,754	752,569	-	4,588,955	751,767
Amortization of Entrance Fees	-	13,905,341	5,544,164	6,253,801	1,590,936	1,435,313	-	3,594,713	-
Interest and Dividend Income, Net	537,365	2,619,431	445,266	1,301,298	168,107	417,478	-	458,644	284
Net Realized Gain (Loss) on Investments	(506,523)	(1,583,197)	(136,902)	(165,536)	(48,752)	57	-	(686,411)	-
Net Unrealized Gain on Equity Securities	1,448,258	5,640,458	468,029	2,460,262	167,794	-	-	1,823,490	-
Contributions of Cash and Other Financial Assets	-	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions Used for Operations	-	-	-	-	-	-	-	-	-
Allocations from Asbury Foundation, Inc.	-	5,030,620	1,279,127	3,515,866	208,119	-	-	530,216	-
Total Revenues, Gains, and Other Support	22,871,799	101,604,713	27,097,016	49,345,466	21,605,659	28,606,492	-	72,621,152	752,051
EXPENSES									
Salaries	13,201,852	32,931,804	6,900,552	11,759,402	8,606,939	13,093,451	-	23,824,182	147,189
Employee Benefits	3,184,757	6,773,299	1,390,642	3,160,951	1,857,293	3,299,291	-	6,054,707	19,537
Cost of Goods Sold	-	-	-	-	-	-	-	-	-
Contract Labor	91,669	3,493,194	1,326,472	3,483,183	1,480,198	6,127,826	-	4,127,658	-
Food Purchases	-	3,456,273	1,007,502	961,557	743,482	1,557,697	-	1,422,934	-
Medical Supplies and Other Resident Costs	-	2,801,290	610,326	1,043,384	630,493	1,380,875	-	20,670,081	-
General and Administrative	2,536,126	1,164,515	450,930	666,702	488,901	2,103,406	-	1,869,856	75,384
Building and Maintenance	1,361,754	9,268,112	2,501,741	4,502,699	1,890,007	4,197,485	-	6,719,107	185,097
Professional Fees and Insurance	85,032	1,003,986	276,748	344,853	282,251	1,171,955	-	677,088	36,317
Interest	255,456	5,169,317	863,816	3,411,434	1,097,079	2,247,273	-	1,300,162	132,994
Taxes	4,911	2,319,645	707,430	1,054,132	185,579	1,489,926	-	208,026	-
Provisions for (Recoveries of) Credit Losses	-	297,138	66,147	85,286	347,470	222,061	-	407,161	-
Depreciation and Amortization	529,383	17,611,664	3,484,698	5,383,031	2,020,511	4,060,705	-	5,574,009	191,434
Overhead Allocation	-	-	-	-	-	44,918	-	-	-
Service and Other Fees	487,854	10,657,713	2,704,994	3,516,337	2,124,174	3,194,073	-	5,107,083	-
Allocations to Asbury Foundation, Inc.	-	-	-	-	-	9,455	-	-	-
Total Expenses	21,738,794	96,947,950	22,291,998	39,372,951	21,754,377	44,200,397	-	77,962,054	787,952
INCOME (LOSS) FROM OPERATIONS PRIOR TO NET UNREALIZED LOSS ON CHANGE IN MARKET VALUE OF DERIVATIVE INSTRUMENTS, GAIN (LOSS) ON DISCONTINUED OPERATIONS, AND GAIN (LOSS) ON DISPOSAL OF ASSETS	1,133,005	4,656,763	4,805,018	9,972,515	(148,718)	(15,593,905)	-	(5,340,902)	(35,901)

ASBURY COMMUNITIES, INC.
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET DEFICIT (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Communities HCBS, Inc.	Asbury Foundation, Inc.	The Asbury Group, Inc.	Chandler Estates	Forest Ridge Manor, Inc.	Bethany Development Corporation	Eliminations	Consolidated Balance
REVENUES, GAINS, AND OTHER SUPPORT								
Resident and Client Service Revenue	$ 1,663,520	$ -	$ -	$ 3,268,444	$ -		$ (5,210,897)	$ 234,100,339
Other Operating Revenue	110,990	-	10,888,123	159,062	468,488	1,457,653	(30,033,886)	15,458,390
Amortization of Entrance Fees	-	-	-	-	-		-	32,324,268
Interest and Dividend Income, Net	1,066	1,187,023	38,606	10,305	2,279	11,959	(943,123)	6,255,988
Net Realized Gain (Loss) on Investments	-	157,246	(3,748)	-	-		-	(2,973,766)
Net Unrealized Gain on Equity Securities	-	3,582,026	-	-	-	-	-	15,590,317
Contributions of Cash and Other Financial Assets	-	6,283,948	-	-	-	-	-	6,283,948
Net Assets Released from Restrictions Used for Operations	-	1,157,334	-	-	-	-	-	1,157,334
Allocations from Asbury Foundation, Inc.	503	-	-	-	-		(10,564,451)	-
Total Revenues, Gains, and Other Support	1,776,079	12,367,577	10,922,981	3,437,811	470,767	1,469,612	(46,752,357)	308,196,818
EXPENSES								
Salaries	1,304,311	-	4,715,164	922,119	36,035	450,100	(729,135)	117,163,965
Employee Benefits	238,235	-	915,789	118,194	10,495	169,091	(67,891)	27,124,390
Cost of Goods Sold	-	-	761,290	-	-	-	(618,573)	142,717
Contract Labor	43,309	-	1,754,903	-	-	-	-	21,928,412
Food Purchases	-	-	-	113,744	-	-	-	9,263,189
Medical Supplies and Other Resident Costs	34,536	-	-	124,189	600	52,402	(5,210,897)	22,137,279
General and Administrative	170,666	1,637,962	465,678	36,434	66,612	172,352	(61,451)	11,844,073
Building and Maintenance	199,475	71,299	714,590	526,871	170,269	380,500	-	32,689,006
Professional Fees and Insurance	14,569	1,062	70,920	63,935	12,591	34,946	-	4,076,253
Interest	37,531	61,845	46,386	292,619	-	29,690	(943,123)	14,002,479
Taxes	16,983	-	325,265	116,479	-	246	-	6,428,622
Provisions for (Recoveries of) Credit Losses	46,960	(76,621)	103,044	6,704	-	3,378	-	1,508,728
Depreciation and Amortization	110,833	21,069	308,685	538,788	94,445	64,334	(74,333)	39,919,256
Overhead Allocation	(44,918)	-	-	-	-	-	-	-
Service and Other Fees	252,504	21,486	165,772	250,513	-	-	(28,482,503)	-
Allocations to Asbury Foundation, Inc.	-	10,554,996	-	-	-	-	(10,564,451)	-
Total Expenses	2,424,994	12,293,098	10,347,486	3,110,589	391,047	1,357,039	(46,752,357)	308,228,369
INCOME (LOSS) FROM OPERATIONS PRIOR TO NET UNREALIZED LOSS ON CHANGE IN MARKET VALUE OF DERIVATIVE INSTRUMENTS, GAIN (LOSS) ON DISCONTINUED OPERATIONS, AND GAIN (LOSS) ON DISPOSAL OF ASSETS	(648,915)	74,479	575,495	327,222	79,720	112,573	-	(31,551)

ASBURY COMMUNITIES, INC.
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET DEFICIT (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Communities, Inc.	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Asbury, Inc.	Asbury Living	Albright Care Services	Warrior Run Manor, Inc.
NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS									
Income (Loss) from Operations Prior to Net Unrealized Loss on Change in Market Value of Value of Derivative Instruments, Gain (Loss) on Discontinued Operations, and Gain (Loss) on Disposal of Assets	$ 1,133,005	$ 4,656,763	$ 4,805,018	$ 9,972,515	$ (148,718)	$ (15,593,905)	$ -	$ (5,340,902)	$ (35,901)
Net Unrealized Loss on Change in Market Value of Derivative Instruments	-	(59,639)	(777)	(186,530)	(21,133)	(5,125)	-	(85,434)	-
Gain (Loss) on Discontinued Operations	(10,909,519)	-	-	-	-	(9,935,772)	-	-	-
Gain (Loss) on Disposal of Assets	-	(51,386)	-	4,092,268	-		-	(505,795)	-
INCOME (LOSS) FROM OPERATIONS	(9,776,514)	4,545,738	4,804,241	13,878,253	(169,851)	(25,534,802)	-	(5,932,131)	(35,901)
Transfers (to) from ACOMM, Net	(1,352,750)	(375,000)	(38,750)	(183,000)	(50,500)	-	-	2,000,000	-
Equity Transfer		-	-	-	-	-	-	-	-
Net Assets Released from Restrictions Used for Purchases of Capital Items	-	131,278	7,494	284,474	507	-	-	-	-
Change in Value of Deferred-Giving Arrangements	-	-	-	-	-	-	-	(19,767)	-
Net Unrealized Gain on Fixed Income Securities and Other Investments	78,813	286,121	24,475	98,579	8,855	11	-	604,915	-
Net (Increase) Decrease in Net Assets (Deficit) Without Donor Restrictions	(11,050,451)	4,588,137	4,797,460	14,078,306	(210,989)	(25,534,791)	-	(3,346,983)	(35,901)
NET ASSETS WITH DONOR RESTRICTIONS									
Contributions of Cash and Other Financial Assets	-	-	-	-	-	-	-	-	-
Contributions of Nonfinancial Assets	-	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions for Operations	-	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions Used for Purchases of Capital Items	-	(131,278)	(7,494)	(284,474)	(507)	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-	764,210	-
Change in Value of Deferred-Giving Arrangements	-	-	-	(33,424)	-	-	-	(4,311)	-
Change in Beneficial Interest in Net Assets of Asbury Foundation, Inc.	-	920,550	(147,237)	1,455,767	230,054	(53,371)	-	156,207	-
Net Increase (Decrease) in Net Assets With Donor Restrictions	-	789,272	(154,731)	1,137,869	229,547	(53,371)	-	916,106	-
CHANGES IN NET ASSETS (DEFICIT)	(11,050,451)	5,377,409	4,642,729	15,216,175	18,558	(25,588,162)	-	(2,430,877)	(35,901)
Net Assets (Deficit) - Beginning of Year	(36,313,538)	(32,853,475)	(9,642,879)	(5,124,811)	(29,329,800)	(12,784,506)	-	22,668,119	(1,381,386)
NET ASSETS (DEFICIT) - END OF YEAR	$ (47,363,989)	$ (27,476,066)	$ (5,000,150)	$ 10,091,364	$ (29,311,242)	$ (38,372,668)	$ -	$ 20,237,242	$ (1,417,287)

ASBURY COMMUNITIES, INC.
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET DEFICIT (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Communities HCBS, Inc.	Asbury Foundation, Inc.	The Asbury Group, Inc.	Chandler Estates	Forest Ridge Manor, Inc.	Bethany Development Corporation	Eliminations	Consolidated Balance
NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS								
Income (Loss) from Operations Prior to Net Unrealized Loss on Change in Market Value of Value of Derivative Instruments, Gain (Loss) on Discontinued Operations, and Gain (Loss) on Disposal of Assets	$ (648,915)	$ 74,479	$ 575,495	$ 327,222	$ 79,720	$ 112,573	$ -	$ (31,551)
Net Unrealized Loss on Change in Market Value of Derivative Instruments	-	-	-	(142,660)	-	-	-	(501,298)
Gain (Loss) on Discontinued Operations	5,450,627	-	-	-	-	-	-	(15,394,664)
Gain (Loss) on Disposal of Assets	-	-	-	-	-	-	-	3,535,087
INCOME (LOSS) FROM OPERATIONS	4,801,712	74,479	575,495	184,562	79,720	112,573	-	(12,392,426)
Transfers (to) from ACOMM, Net	-	(423,754)	-	-	-	-	423,754	-
Equity Transfer	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions Used for Purchases of Capital Items	-	423,754	-	-	-	-	(423,754)	423,753
Change in Value of Deferred-Giving Arrangements	-	(93,694)	-	-	-	-	-	(113,461)
Net Unrealized Gain on Fixed Income Securities and Other Investments	-	19,215	-	-	-	-	-	1,120,984
Net (Increase) Decrease in Net Assets (Deficit) Without Donor Restrictions	4,801,712	-	575,495	184,562	79,720	112,573	-	(10,961,150)
NET ASSETS WITH DONOR RESTRICTIONS								
Contributions of Cash and Other Financial Assets	-	3,733,921	-	-	-	-	-	3,733,921
Contributions of Nonfinancial Assets	-	130,000	-	-	-	-	-	130,000
Net Assets Released from Restrictions for Operations	-	(1,157,334)	-	-	-	-	-	(1,157,334)
Net Assets Released from Restrictions Used for Purchases of Capital Items	-	(423,754)	-	-	-	-	423,754	(423,753)
Net Investment Income	-	66,995	-	-	-	-	-	831,205
Change in Value of Deferred-Giving Arrangements	-	(155,093)	-	-	-	-	-	(192,828)
Change in Beneficial Interest in Net Assets of Asbury Foundation, Inc.	(7,194)	-	-	-	-	-	(2,554,776)	-
Net Increase (Decrease) in Net Assets With Donor Restrictions	(7,194)	2,194,735	-	-	-	-	(2,131,022)	2,921,211
CHANGES IN NET ASSETS (DEFICIT)	4,794,518	2,194,735	575,495	184,562	79,720	112,573	(2,131,022)	(8,039,939)
Net Assets (Deficit) - Beginning of Year	(5,696,610)	35,144,422	(376,561)	1,388,374	(1,133,300)	2,275,408	(36,207,868)	(109,368,411)
NET ASSETS (DEFICIT) - END OF YEAR	$ (902,092)	$ 37,339,157	$ 198,934	$ 1,572,936	$ (1,053,580)	$ 2,387,981	$ (38,338,890)	$ (117,408,350)