

**ALBRIGHT CARE SERVICES AND AFFILIATE  
CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
YEARS ENDED DECEMBER 31, 2025 AND 2024**



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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Albright Care Services and Affiliate  
Lewisburg, Pennsylvania

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of Albright Care Services and Affiliate, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Albright Care Services and Affiliate as of December 31, 2025 and 2024, and the results of their operations, changes in net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S.GAAP).

#### ***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 Albright Care Services and Affiliate 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 Albright Care Services and Affiliate's ability to continue as a going concern within one year after the date that the consolidated 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 Albright Care Services and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Albright Care Services and Affiliate's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet and consolidating statement of operations 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**

Timonium, Maryland  
April 16, 2026

**ALBRIGHT CARE SERVICES AND AFFILIATE  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 3,332,817	\$ 3,762,797
Investments	14,356,513	17,523,640
Accounts Receivable	2,580,477	4,414,773
Allowance for Credit Losses	(657,814)	(1,135,293)
Other Receivables and Prepaid Expenses	2,637,746	2,289,858
Total Current Assets	22,249,739	26,855,775
<b>PROPERTY AND EQUIPMENT</b>		
Property and Equipment, Net	39,907,997	41,082,294
Right-of-Use Assets - Operating Leases, Net	7,917,817	9,639,515
Right-of-Use Assets - Finance Leases, Net	166,371	318,389
Investments Restricted By Donors	4,788,265	4,178,608
Investments Held Under Bond Indenture	728,803	697,748
Deposits and Other Assets	172,046	483,939
Intangible Assets	261,957	711,029
Statutory Reserves	1,588,412	1,625,152
Funds Held In Trust	4,961,203	4,609,022
Beneficial Interest in Net Assets of Foundation	2,529,418	2,431,917
Valuation of Derivative Instruments	-	193,895
Total Assets	\$ 85,272,028	\$ 92,827,283

See accompanying Notes to Consolidated Financial Statements.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
CONSOLIDATED BALANCE SHEETS (CONTINUED)  
DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 1,122,023	\$ 1,280,858
Accrued Compensation and Related Items	40,751	305,388
Accrued Interest Payable	40,574	38,148
Obligation Under Deferred-Giving Arrangements	13,336	23,026
Deposits From Prospective Residents and Other Deposits	494,284	597,309
Entrance Fees - Refundable	459,148	213,721
Deferred Revenue	88,229	1,222,440
Reserve for LIFE Program	2,744,045	2,250,381
Current Portion of Lease Liabilities - Operating Leases	834,781	918,322
Current Portion of Lease Liabilities - Finance Leases	111,587	127,397
Current Maturities of Long-Term Debt	547,921	998,551
Total Current Liabilities	6,496,679	7,975,541
<b>LONG-TERM LIABILITIES</b>		
Due to ACOMM, Net	16,402,956	23,658,776
Long-Term Lease Liabilities - Operating Leases, Net of Current	7,386,971	9,023,843
Long-Term Lease Liabilities - Finance Leases, Net of Current	65,403	189,139
Long-Term Debt, Net of Current	11,173,676	11,586,226
Contingent Refundable Entrance Fee Liability	3,991,518	5,126,795
Entrance Fees - Deferred Revenue	26,400,066	23,123,919
Obligation Under Deferred-Giving Arrangements	60,450	75,941
Valuation of Derivative Instruments	21,036	-
Total Liabilities	71,998,755	80,760,180
<b>NET ASSETS</b>		
Without Donor Restrictions	2,313,427	369,718
With Donor Restrictions	10,959,846	11,697,385
Total Net Assets	13,273,273	12,067,103
Total Liabilities and Net Assets	\$ 85,272,028	\$ 92,827,283

See accompanying Notes to Consolidated Financial Statements.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
CONSOLIDATED STATEMENTS OF OPERATIONS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>		
Resident and Client Services Revenue	\$ 51,733,469	\$ 62,780,323
Other Operating Revenue	1,517,119	4,524,826
Amortization of Entrance Fees	3,679,791	3,596,235
Interest and Dividend Income, Net	1,084,419	970,692
Net Realized Gains on Investments	310,087	1,013,331
Net Unrealized Gains on Equity Security Investments	1,594,542	408,408
Net Assets Released from Restrictions Used for Operations	1,643,334	-
Allocations from Asbury Foundation, Inc.	743,744	1,142,750
Total Revenues, Gains, and Other Support	62,306,505	74,436,565
<b>EXPENSES</b>		
Salaries	17,377,257	25,208,623
Employee Benefits	4,334,956	6,075,998
Contract Labor	2,458,934	4,313,953
Food Purchases	1,310,537	1,539,482
Medical Supplies and Other Resident Costs	16,301,196	20,893,301
General and Administrative	1,668,533	2,014,303
Building and Maintenance	6,080,503	7,145,167
Professional Fees and Property Insurance	712,290	864,194
Interest	1,060,380	1,710,404
Taxes	498,578	222,616
Provision for Credit Losses	(11,805)	676,335
Depreciation and Amortization	5,442,996	6,061,015
Service and Other Fees	5,461,932	6,440,401
Total Expenses	62,696,287	83,165,792
<b>LOSS FROM OPERATIONS PRIOR TO LOSS ON DISPOSAL OF ASSETS, GAIN (LOSS) ON DISCONTINUED OPERATIONS, LOSS ON DEBT REFINANCING, AND UNREALIZED LOSS ON DERIVATIVE FINANCIAL INSTRUMENTS</b>		
	(389,782)	(8,729,227)
Loss on Disposal of Assets	(220,699)	-
Gain (Loss) on Discontinued Operations	2,207,685	(2,860,933)
Loss on Debt Refinancing	(153,467)	-
Unrealized Loss on Derivative Financial Instruments	(137,003)	(95,147)
Total Nonoperating Gain (Loss)	1,696,516	(2,956,080)
<b>INCOME (LOSS) FROM OPERATIONS</b>	\$ 1,306,734	\$ (11,685,307)

See accompanying Notes to Consolidated Financial Statements.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Income (Loss) from Operations	\$ 1,306,734	\$ (11,685,307)
Change in Value of Deferred-Giving Arrangements	(51,694)	(3,275)
Net Unrealized Gain on Fixed Income Securities and Other Investments	677,984	377,587
Transfer of Capital	-	3,733,679
Net Assets Released from Restrictions Used for Purchase of Capital Items	10,685	29,919
Net Increase (Decrease) in Net Assets Without Donor Restrictions	1,943,709	(7,547,397)
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Investment Income, Net	829,764	700,994
Change in Value of Deferred-Giving Arrangements	(21,470)	(1,188)
Change in Beneficial Interest in Net Assets of Foundation	108,186	652,693
Net Assets Released from Restrictions Used for Operations	(1,643,334)	-
Net Assets Released from Restrictions Used for Purchase of Capital Items	(10,685)	(29,919)
Other Changes	-	(528,035)
Net Increase (Decrease) in Net Assets With Donor Restrictions	(737,539)	794,545
<b>CHANGE IN NET ASSETS</b>	1,206,170	(6,752,852)
Net Assets - Beginning of Year	12,067,103	18,819,955
<b>NET ASSETS - END OF YEAR</b>	\$ 13,273,273	\$ 12,067,103

See accompanying Notes to Consolidated Financial Statements.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,206,170	\$ (6,752,852)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Provision for Credit Losses	(11,805)	676,335
Depreciation and Amortization	5,306,062	5,909,057
Amortization of Deferred Financing Costs	41,194	50,797
Amortization of Right-of-Use Asset - Finance Leases	136,934	151,958
Loss on Disposal of Assets	220,699	-
Loss on Debt Refinancing	153,467	-
(Gain) Loss on Discontinued Operations	(2,207,685)	2,860,833
Straight-Line Rent Adjustment	56,290	77,711
Amortization of Entrance Fees	(3,679,791)	(3,596,235)
Net Proceeds from Nonrefundable Entrance Fees	7,256,530	4,539,202
Net Unrealized Gain on Investments	(2,272,526)	(785,995)
Net Realized Gain on Investments	(310,087)	(1,013,331)
Unrealized Loss on Change in Market Value of Derivative Instruments	137,003	95,147
Changes in Value of Deferred-Giving Arrangements	73,164	4,463
Change in Funds Held In Trust	(352,181)	(366,303)
Change in Beneficial Interest in Net Assets of Foundation	(97,501)	(637,721)
Transfer from ACOMM	-	(3,733,679)
Changes in Assets and Liabilities:		
Accounts Receivable	1,277,165	(803,201)
Other Receivables and Prepaid Expenses	561,202	(364,814)
Deferred Revenue	(886,677)	(323,349)
Deferred Entrance Fees	(597,880)	265
Accounts Payable and Accrued Expenses	(308,590)	(1,299,359)
Accrued Interest Payable	2,426	(36,766)
Net Cash Provided (Used) by Operating Activities	5,703,583	(5,347,837)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment, Net	(3,903,392)	(2,027,489)
Purchases of Investments	(5,352,194)	(25,673,041)
Sales of Investments	10,492,277	24,437,042
Net Proceeds from Sale of Riverwoods Skilled Nursing Facility	-	7,058,983
Net Cash Provided by Investing Activities	1,236,691	3,795,495

See accompanying Notes to Consolidated Financial Statements.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Refundable Entrance Fees and Refundable Deposits	\$ 940,300	\$ 304,100
Refunds from Refundable Entrance Fees and Refundable Deposits	(2,481,301)	(360,497)
Payments on Long-Term Debt	(878,588)	(8,631,102)
Payments on Finance Leases	(122,105)	(146,208)
Payments on Deferred Financing Costs	(261,276)	-
Proceeds from Issuance of Debt	9,186,687	-
Retirement of Debt	(9,026,736)	-
Net Cash Distributed for Deferred-Giving Arrangements	(18,181)	(23,025)
Change in Due to ACOMM, Net	(4,713,589)	2,560,183
Transfer from ACOMM	-	3,733,679
Net Cash Used by Financing Activities	(7,374,789)	(2,562,870)
<b>NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	(434,515)	(4,115,212)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	6,118,583	10,233,795
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	\$ 5,684,068	\$ 6,118,583
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for Interest	\$ 1,016,760	\$ 1,377,856
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Right-of-Use Asset Received in Exchange for Finance Leases	\$ 11,015	\$ 166,380
Right-of-Use Asset Received in Exchange for Operating Leases	\$ 233,308	\$ 7,170,957

See accompanying Notes to Consolidated Financial Statements.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024**

**NOTE 1 ORGANIZATION**

**Albright Care Services**

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 (until the transfer on January 1, 2025), Cumberland County, and Franklin County, Pennsylvania. Previously, Albright Fund Development (Fund Development) promoted charitable giving to provide additional resources to help fund charitable programs of Albright.

On January 1, 2020, Albright became an affiliate of Asbury Communities, Inc. (ACOMM), by ACOMM serving as the supporting organization for Albright. 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 Corp. (BDC); Albright Care Services; and Asbury Living, Inc. (Asbury Living). Asbury Atlantic has operating affiliates comprised of Asbury Methodist Village (AMV), Asbury Solomons (AS), Bethany Village (BV), Springhill (SH), and Asbury Chandler Estate, LLC (CE). Asbury Living has operating affiliates comprised of Grace Park (GP) and Ivy Gables (IG). ACOMM is the sole voting stockholder of The Asbury Group, Inc. (TAG). Additionally, ACOMM is the sole member of Asbury Foundation, Inc. (AFOUND).

**Warrior Run Manor, Inc.**

Warrior Run Manor Inc. (Warrior Run) is a nonprofit corporation that operates a 75-unit rental housing project for the elderly located in Watsonstown, Pennsylvania (the Project). The Project is operated under Section 202 and 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. Under this program, the Project was provided with a HUD-insured loan to refinance the Project's existing indebtedness. The Project is also subject to Section 8 Housing Assistance Payments agreements with HUD, and a significant portion of the Project's rental income is received from HUD. The housing assistance payments recognized under this contract during the years ended December 31, 2025 and 2024 were \$663,603 and \$545,920, respectively. The Project's major programs are its Section 207 pursuant to Section 223(f) insured loan and its Section 8 rent subsidy.

Warrior Run is a controlled entity of Albright due to Albright appointing a majority of the Warrior Run's Board of Directors. Albright serves as the supporting organization of Warrior Run.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024**

**NOTE 1 ORGANIZATION (CONTINUED)**

**Sale of Riverwoods Skilled Nursing Facility and Loss on Discontinued Operations**

In March 2024, Albright entered into an asset purchase agreement to sell the Riverwoods Skilled Nursing Facility (the Facility) to 3201 River Road LLC, a Delaware limited liability company (the Buyer). Upon closing on December 5, 2024, the Buyer purchased and acquired all of Albright's right, title and interest in and to the to-be-subdivided land as described in the agreement, the Facility and any and all other fixtures and improvements erected since the date of the agreement, all right, title, and interest to all of the other assets of Albright's used or usable in the business or located at the property, free and clear of all liens, mortgages, pledges, deeds of trust, security interest, charges, encumbrances and other adverse claims or interests of any kind, except for permitted exceptions defined in the agreement.

Total consideration received by Albright for the sale was \$7,875,000. After closing costs and write-offs associated with the sale, Albright recognized a net loss of \$398,919 and \$2,860,933 which has been recorded as a loss on discontinued operations on the consolidated statements of operations and changes in net assets for the years ended December 31, 2025 and 2024, respectively. A portion of the proceeds were used to pay down the Series 2014 and Series 2018 Master Notes in the amounts of \$3,101,994 and \$3,932,006, respectively. As a result, the Company executed amendments to the loan and related swap agreements. See Note 11 and Note 12.

**Transfer of Albright LIFE Chester County**

On May 6, 2024, Albright entered into a Business and Asset Transfer Agreement to transfer Albright's right, title, and interest, free and clear of all encumbrances, to certain assets associated with the operation of LIFE Chester. The consideration for the transferred assets is the assumption of assumed liabilities as defined in the agreement. The transaction closed on January 1, 2025.

After write-offs associated with the transfer, Albright recognized a net gain of \$2,606,604, which has been recorded as a gain on discontinued operations on the consolidated statements of operations and changes in net assets for the year ended December 31, 2025.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation**

The consolidated financial statements include the accounts of Albright Care Services and Warrior Run Manor, Inc. (collectively, the Company). All significant intercompany transactions and balances have been eliminated in the consolidation.

**Use of Estimates**

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

**ALBRIGHT CARE SERVICES AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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:

	2025	2024
Cash and Cash Equivalents	\$ 3,332,817	\$ 3,762,797
Statutory Reserves	1,588,412	1,625,152
Other Receivables and Prepaids:		
Restricted Mortgage Escrows	34,036	32,886
Investments Held Under Bond Indenture:		
Replacement Reserve	262,569	227,705
Residual Receipts	466,234	470,043
Total	\$ 5,684,068	\$ 6,118,583

**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 consolidated 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 Medicare and Medicaid reimbursement and other third-party agreements, amounts collected for services to patients under these agreements are computed at contractually agreed-upon rates. Accounts receivable have been adjusted to reflect the difference between charges and the reimbursable amounts under these third-party contracts. Revenues from Medicare and Medicaid programs and other third-party agreements accounted for approximately 59% and 63% of total resident and client services revenues for the years ended December 31, 2025 and 2024, respectively.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable and Allowance for Credit Losses (Continued)**

Opening and closing balances in contract accounts receivable were as follows:

	<u>Accounts Receivable, Net</u>
Balance as of January 1, 2024	\$ 3,152,614
Balance as of December 31, 2024	3,279,480
Balance as of December 31, 2025	1,922,663

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, 2025 and 2024, the allowance for estimate of expected credit losses was \$657,814 and \$1,135,293, respectively.

Changes in the allowance for credit losses for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Balance, Beginning of Year	\$ 1,135,293	\$ 698,463
Provision for Losses	(55,195)	591,966
Amounts Written Off	(427,334)	(225,454)
Recoveries	5,050	70,318
Balance, End of Year	<u>\$ 657,814</u>	<u>\$ 1,135,293</u>

**Inventories**

Inventories are stated at the lower of cost or net realizable value on a first-in, first-out basis. Net realizable value is the value of an asset that can be realized upon the sale of the asset, less a reasonable estimate of the costs associated with either the eventual sale or the disposal of the asset in question. Inventories of \$848,011 and \$939,064 are included in other receivables and prepaid expenses on the consolidated balance sheets at December 31, 2025 and 2024, respectively.

**Intangible Assets**

In 2023, the Company recorded \$1,347,212 of intangible assets from the acquisition of the two LIFE Program operations located in Franklin County and Cumberland County, Pennsylvania for the customer lists. The Company amortizes these intangible assets using the straight-line method over the estimated useful lives of the intangible assets from the date of acquisition, which is 3 years. Amortization of intangible assets was \$449,070 for both the years ended December 31, 2025 and 2024.

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. No impairment loss on intangible assets was recognized for the years ended December 31, 2025 and 2024.

**ALBRIGHT CARE SERVICES AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments and Investment Income**

Investments are comprised of equity securities or equity mutual funds, bonds or bond mutual funds, alternative investments, and cash. The equity securities and the related unrealized gains or losses are recorded above income from operations. The fixed income securities and other types of investments and their related unrealized gains or losses are recorded below income from operations. The investments are managed by the ACOMM board with guidance from external investment advisors.

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 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.

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 from operations unless restricted by donor or law. Unrealized gains and losses on fixed income securities and other investments with readily determinable market values are excluded from income from operations unless the losses are deemed to be other-than-temporary.

**ALBRIGHT CARE SERVICES AND AFFILIATE**  
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**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 assets.

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

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Company relies on an investment strategy that allocates its investments among a number of asset classes. These asset classes may include: domestic equity, domestic fixed income, international equity, cash equivalents, and other alternative strategies and products. The purpose of allocating among asset classes is to ensure 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.

**Leases**

The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating lease and lease liability – operating leases, and finance leases are included in right-of-use (ROU) assets – finance leases and lease liability – finance leases in the consolidated balance sheets. The Company has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the consolidated balance sheets.

**ALBRIGHT CARE SERVICES AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

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 by 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 recorded 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 amortization of 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. No impairment loss was recognized during 2025 and 2024.

**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. Advertising expense was \$57,509 and \$46,011 for the years ended December 31, 2025 and 2024, respectively.

**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.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Collections**

The Company's collections included art and other items of historical significance and were maintained in the Slifer House Museum, located on its RW campus. The collections, which were acquired through contributions, were recognized at fair value based upon an appraisal.

During 2024, the Company returned the collections to the donors. The fair value of \$528,035 was written off which is reflected as other changes in the consolidated statements of operations and changes in net assets in the net assets with donor restrictions for the year ended December 31, 2024.

**Funds Held In Trust**

The Company has received as contributions various types of split-interest obligations, including perpetual trusts. 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. Income earned on the trust assets and distributed to the Company is recorded as investment income on the consolidated statements of operations, unless otherwise restricted by the donor. Subsequent changes in fair value are recorded as investment income, net within net assets with donor 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 valuation of the charitable gift annuities are recorded as a change in value of deferred-giving agreements within net assets without donor restrictions and net assets with donor restrictions.

**Beneficial Interest in Net Assets of Foundation**

The Company records an interest in the net assets of Asbury Foundation, Inc. resulting from contributions with donor restrictions that are solicited and held by Asbury Foundation, Inc. to be used for the benefit of the Company based on donor designation and intent.

**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.

**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 include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations.

**ALBRIGHT CARE SERVICES AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Resident and Client Services Revenue (Continued)**

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 and 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.

Currently, residents have three entrance plan options available, a fifty percent (50%) refundable entrance fee, a standard entrance fee (SEF) which amortizes over a fifty (50) month period, and a nonrefundable entrance fee. The 50% refundable option has a guaranteed refund component, which is 50% of the entrance fee paid. Previously, a one hundred percent (100%) refundable, a ninety percent (90%) refundable, a SEF that amortized over five (5) years, and a SEF that amortized over seven (7) years options were offered.

Under the current SEF, that amortizes over fifty months, the refund balance declines 2% per month over the fifty-month period. Under the prior SEF that amortizes over five years, the refund balance declines 1.667% per month over the five-year period. Under the prior SEF that amortizes over seven years, the refund balance declines 1.19% per month over the seven-year period. After the fifty-month, five-year, and seven-year periods, the refund is fully amortized and there is no refundable portion.

The nonrefundable entrance fee option is classified as deferred revenue and is recognized as revenue on a straight-line basis over each individual resident's expected remaining life, adjusted annually (time-based measurement).

**ALBRIGHT CARE SERVICES AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Resident and Client Services Revenue (Continued)**

The refund component of entrance fees received is not amortized into income and is classified as contingent refundable entrance fee liability on the accompanying consolidated balance sheets. The nonrefundable fees received after being contractually earned by the Company is amortized into income using the straight-line method over the estimated remaining life expectancies of the residents and is classified as entrance fees – deferred revenue on the accompanying consolidated balance sheets. The period of amortization is adjusted annually based on the actuarially determined remaining life expectancies of the residents.

The gross amount of refund obligations are summarized below and are categorized as refundable entrance fees and standard entrance fees. All refunds are paid after all accommodations (including skilled nursing and personal care) have been vacated and a successor resident occupies the residential living unit. Prior to August 2020, the refund was paid after vacating the residential living unit only and a successor resident occupies the residential living unit or after one year of vacating the unit, whichever was earlier.

Opening and closing balances in deferred revenue from entrance fees were as follows:

	Deferred Revenue from Entrance Fees
Balance as of January 1, 2024	\$ 28,322,187
Balance as of December 31, 2024	28,464,435
Balance as of December 31, 2025	30,850,732

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

	2025	2024
Entrance Fees - Refundable	\$ 459,148	\$ 213,721
Contingent Refundable Entrance Fees	3,991,518	5,126,795
Entrance Fees - Deferred Revenue:		
50% to 100% Refundable Contracts	1,576,255	1,337,748
Standard Entrance Fee Option Contracts:		
Five Year Contracts	16,563,320	19,958,234
Seven Year Contracts	1,106,909	1,446,468
Fifty Month Contracts	7,153,582	360,208
Nonrefundable Contracts	-	21,261
Total Entrance Fees - Deferred Revenue	26,400,066	23,123,919
 Total Entrance Fees	 \$ 30,850,732	 \$ 28,464,435

**ALBRIGHT CARE SERVICES AND AFFILIATE  
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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Resident and Client Services Revenue (Continued)**

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.

A composition of resident and client services revenue by primary payor for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
Medicaid	\$ 14,229,454	\$ 18,711,075
Medicare	16,116,831	20,563,016
Managed Care	193,303	490,472
Private Pay	21,193,881	23,015,760
Total Resident Services Revenue	<u>\$ 51,733,469</u>	<u>\$ 62,780,323</u>

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

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

	2025					
	Riverwoods	Normandie Ridge	LIFE Program	Pharmacy	Other	Total
<b>Service Lines:</b>						
Skilled Nursing Facility	\$ -	\$ 9,859,614	\$ -	\$ -	\$ -	\$ 9,859,614
Assisted Living	2,453,922	2,869,206	-	-	-	5,323,128
Independent Living	2,747,359	3,182,732	-	-	(160,589)	5,769,502
Life Program	-	-	23,453,745	-	-	23,453,745
Pharmacy	-	-	-	7,109,004	-	7,109,004
Retail Sales	141,080	77,396	-	-	-	218,476
Total	<u>\$ 5,342,361</u>	<u>\$ 15,988,948</u>	<u>\$ 23,453,745</u>	<u>\$ 7,109,004</u>	<u>\$ (160,589)</u>	<u>\$ 51,733,469</u>
<b>Method of Reimbursement:</b>						
Fee for Services	\$ 5,201,281	\$ 15,911,552	\$ 23,453,745	\$ 7,109,004	\$ (160,589)	\$ 51,514,993
Retail Sales	141,080	77,396	-	-	-	218,476
Total	<u>\$ 5,342,361</u>	<u>\$ 15,988,948</u>	<u>\$ 23,453,745</u>	<u>\$ 7,109,004</u>	<u>\$ (160,589)</u>	<u>\$ 51,733,469</u>
<b>Timing of Revenue and Recognition:</b>						
Health Care Services Transferred						
Over Time	\$ 5,201,281	\$ 15,911,552	\$ 23,453,745	\$ 7,109,004	\$ (160,589)	\$ 51,514,993
Sales at Point in Time	141,080	77,396	-	-	-	218,476
Total	<u>\$ 5,342,361</u>	<u>\$ 15,988,948</u>	<u>\$ 23,453,745</u>	<u>\$ 7,109,004</u>	<u>\$ (160,589)</u>	<u>\$ 51,733,469</u>

**ALBRIGHT CARE SERVICES AND AFFILIATE  
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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Resident and Client Services Revenue (Continued)**

	2024					Total
	Riverwoods	Normandie		Pharmacy	Other	
		Ridge	LIFE Program			
<b>Service Lines:</b>						
Skilled Nursing Facility	\$ 11,214,233	\$ 9,547,343	\$ -	\$ -	\$ -	\$ 20,761,576
Assisted Living	2,218,165	2,503,710	-	-	-	4,721,865
Independent Living	2,620,230	3,054,651	-	-	(13,739)	5,561,142
Life Program	-	-	24,938,098	-	-	24,938,098
Pharmacy	-	-	-	6,626,096	-	6,626,096
Retail Sales	104,961	66,585	-	-	-	171,546
Total	<u>\$ 16,157,579</u>	<u>\$ 15,172,289</u>	<u>\$ 24,938,098</u>	<u>\$ 6,626,096</u>	<u>\$ (13,739)</u>	<u>\$ 62,780,323</u>
<b>Method of Reimbursement:</b>						
Fee for Services	\$ 16,052,618	\$ 15,105,704	\$ 24,938,098	\$ 6,626,096	\$ (13,739)	\$ 62,608,777
Retail Sales	104,961	66,585	-	-	-	171,546
Total	<u>\$ 16,157,579</u>	<u>\$ 15,172,289</u>	<u>\$ 24,938,098</u>	<u>\$ 6,626,096</u>	<u>\$ (13,739)</u>	<u>\$ 62,780,323</u>
<b>Timing of Revenue and Recognition:</b>						
Health Care Services Transferred						
Over Time	\$ 16,052,618	\$ 15,105,704	\$ 24,938,098	\$ 6,626,096	\$ (13,739)	\$ 62,608,777
Sales at Point in Time	104,961	66,585	-	-	-	171,546
Total	<u>\$ 16,157,579</u>	<u>\$ 15,172,289</u>	<u>\$ 24,938,098</u>	<u>\$ 6,626,096</u>	<u>\$ (13,739)</u>	<u>\$ 62,780,323</u>

**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.

**Benevolent Care**

The Company's policy is to track those expenses for residents in its facilities who cannot pay for all or a portion of their care and to define these expenses as 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, 2025 and 2024 was \$403,670 and \$750,033, respectively.

**Occupancy Percentages**

During the years ended December 31, 2025 and 2024, 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:

	2025		2024	
	Normandie Ridge	Normandie Ridge	Normandie Ridge	Riverwoods
Total Skilled Nursing Center				
<b>Occupancy</b>	<b>95%</b>	<b>96%</b>	<b>96%</b>	<b>76%</b>
Medicaid	47%	45%	45%	63%
Medicare	31%	25%	25%	20%
Private Pay and Other	22%	30%	30%	17%

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**COVID-19 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.

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 grant funds through the Federal Emergency Management Agency (FEMA). Total grant funds approved and received by the Company for the years ended December 31, 2025 and 2024 was \$266,528 and \$3,285,783, 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, 2025 and 2024, the Company recognized \$386,628 and \$3,759,955, respectively, as other operating revenue in the consolidated statements of operations. At December 31, 2025 and 2024, the Company recognized \$-0- and \$186,131, respectively, as deferred revenue in the consolidated balance sheets. The Company believes the amounts have been recognized appropriately as of December 31, 2025 and 2024.

**Functional Allocation of Expenses**

The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**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.

*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.

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets and Endowment Funds (Continued)**

Net assets with donor restrictions that are temporary in nature consist of assets held on behalf of Albright by Albright and AFOUND. The temporarily restricted net assets fulfill donor intent by providing for programs, equipment and other health and educational services based on donor designation.

Net assets with donor restrictions that are perpetual in nature consist of assets held on behalf of Albright by Albright and AFOUND. The objectives of these net assets are 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 can be unrestricted or temporarily restricted based on donor intent to primarily support benevolent care and other services based on donor designation.

**Income (Loss) from Operations**

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

**Tax Status**

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

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

The tax benefit from an uncertain tax position must be recognized only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated 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.

**ALBRIGHT CARE SERVICES AND AFFILIATE**  
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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tax Status (Continued)**

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.

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.

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements (Continued)**

*Level 3* – Inputs that are unobservable inputs for the asset or liability. These inputs reflect assumptions that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances, including assumptions developed by the reporting entity, estimated term and timing of future distributions, or information provided by third parties, 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 consolidated 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.

**Subsequent Events**

In preparing these consolidated financial statements, the Company evaluated events that occurred through April 16, 2026, the date the consolidated financial statements were issued, for potential recognition or disclosure. See Note 18 Subsequent Events.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

As of December 31, 2025 and 2024, the Company has working capital of \$15,753,060 and \$18,880,234, respectively.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated balance sheet date, consist of the following as of December 31, 2025 and 2024:

	2025	2024
Cash and Cash Equivalents	\$ 3,332,817	\$ 3,762,797
Investments	14,356,513	17,523,640
Accounts Receivable, Net	1,922,663	3,279,480
Other Receivables	2,637,746	2,289,858
Investments Held Under Bond Indenture	728,803	697,748
Total	\$ 22,978,542	\$ 27,553,523

The Company has certain investments 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 such as statutory liquid reserves. These assets limited to use, which are more fully described in Note 6 are not available for general expenditure within the next year and are not reflected in the amounts above.

**NOTE 4 REGULATORY ENVIRONMENT**

**Medicare and Medicaid**

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Company believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegation of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

*Medicare Reimbursement*

The Centers for Medicare and Medicaid Services (CMS) utilize the Patient Driven Payment Model (PDPM) 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.

**ALBRIGHT CARE SERVICES AND AFFILIATE**  
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**NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)**

**Medicare and Medicaid (Continued)**

*Medicare Reimbursement (Continued)*

Nursing facilities licensed for participation in the Medicare and Medicaid 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.

*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.

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.

**Health Care**

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Company's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Company. In addition, the contracts the Company has with commercial payors also provide for retroactive audit and review of claims.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
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**NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)**

**Other**

The Company participates in a system-wide Voluntary Compliance Program instituted by ACOMM. 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.

**Pennsylvania Department of Insurance Reserve Requirements**

On a calendar year basis, the Company 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 amortization, computed only on the proportional share of financing or operating expenses that is applicable to residents of Normandie Ridge and Riverwoods under continuing care agreements.

The statutory minimum liquid reserve requirement for Normandie Ridge as of December 31, 2025 and 2024 is \$1,087,139 and \$1,083,135, respectively, and is based on 10% of the projected annual operating expenses exclusive of depreciation and amortization. The statutory minimum liquid reserve requirement as of December 31, 2025 and 2024 for Normandie Ridge is as follows:

	<u>2025</u>	<u>2024</u>
Projected Annual Interest Expense	\$ 180,605	\$ 244,353
Principal Payments Due on Long-Term Debt	235,722	445,113
Liquid Reserve Requirement	<u>416,327</u>	<u>689,466</u>
Projected Annual Operating Expenses	17,166,254	17,051,872
Minimum Rate	10%	10%
Liquid Reserve Requirement	<u>1,716,625</u>	<u>1,705,187</u>
Maximum Liquid Reserve Requirement	1,716,625	1,705,187
Approximate Percentage of Continuing Care Clients	<u>63%</u>	<u>64%</u>
Statutory Minimum Liquid Reserve	<u>\$ 1,087,139</u>	<u>\$ 1,083,135</u>

**ALBRIGHT CARE SERVICES AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)**

**Pennsylvania Department of Insurance Reserve Requirements (Continued)**

The statutory minimum liquid reserve requirement for Riverwoods as of December 31, 2025 and 2024 is \$501,273 and \$542,017, respectively. The 2025 calculation is based on 10% of the projected annual operating expenses exclusive of depreciation and amortization and the 2024 calculation is based on projected annual debt service requirements. The statutory minimum liquid reserve requirement as of December 31, 2025 and 2024 for Riverwoods is as follows:

	<u>2025</u>	<u>2024</u>
Projected Annual Interest Expense	\$ 173,870	\$ 236,146
Principal Payments Due on Long-Term Debt	226,931	471,263
Liquid Reserve Requirement	<u>400,801</u>	<u>707,409</u>
Projected Annual Operating Expenses	6,463,035	5,901,005
Minimum Rate	10%	10%
Liquid Reserve Requirement	<u>646,304</u>	<u>590,101</u>
Maximum Liquid Reserve Requirement	646,304	707,409
Approximate Percentage of Continuing Care Clients	<u>78%</u>	<u>77%</u>
Statutory Minimum Liquid Reserve	<u>\$ 501,273</u>	<u>\$ 542,017</u>

In accordance with Pennsylvania Statute, entrance fee deposits in excess of 5% of the total entrance fee are held in a third-party escrow account. The entrance fee deposit is released when the living unit is available for occupancy and prospective resident pays the remaining balance of the full entrance fee.

**NOTE 5 CONCENTRATIONS 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 as of December 31, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Private Pay	38 %	36 %
Medicaid	19	26
Medicare	14	23
Other (Primarily Managed Care and Insurance)	29	15
Total	<u>100 %</u>	<u>100 %</u>

**ALBRIGHT CARE SERVICES AND AFFILIATE  
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**NOTE 6 INVESTMENTS**

The investment portfolios, including assets whose use is limited and investments restricted by the board, consisted of the following as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Investments:		
Cash and Short-Term Investments	\$ 263,478	\$ 840,627
Fixed Income Mutual Funds	5,430,088	5,057,159
Equity Mutual Funds	8,662,947	11,249,029
Alternative Investments	-	376,825
Total Investments	<u>\$ 14,356,513</u>	<u>\$ 17,523,640</u>
Investments Restricted by Donors:		
Cash and Short-Term Investments	\$ 57,859	\$ 1,352,749
Fixed Income Mutual Funds	1,064,033	825,719
Equity Mutual Funds	3,666,373	2,000,140
Total Investments Restricted by Donors	<u>\$ 4,788,265</u>	<u>\$ 4,178,608</u>
Statutory Reserves:		
Cash and Short-Term Investments	<u>\$ 1,588,412</u>	<u>\$ 1,625,152</u>
Investments Held under Bond Indenture:		
Cash and Short-Term Investments	<u>\$ 728,803</u>	<u>\$ 697,748</u>

The total return on investments without donor restrictions, 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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Included within the Performance Indicator:		
Interest and Dividend Income, Net	\$ 1,084,419	\$ 970,692
Net Realized Gain on Investments	310,087	1,013,331
Net Unrealized Gain on Equity Security Investments	1,594,542	408,408
Unrealized Loss on Derivative Financial Instruments	(137,003)	(95,147)
Total	<u>2,852,045</u>	<u>2,297,284</u>
Included in Other Changes in Net Assets:		
Net Unrealized Gain on Fixed Income Securities and Other Investments	677,984	377,587
Included in Net Assets With Donor Restrictions:		
Investment Income, Net	829,764	700,994
Total	<u>\$ 4,359,793</u>	<u>\$ 3,375,865</u>

**ALBRIGHT CARE SERVICES AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 6 INVESTMENTS (CONTINUED)**

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

The Company engages professionals to advise on managing its investment portfolio within guidelines of ACOMM'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, 2025 and 2024, the Company did not identify any other than temporary declines in the fair value of investments.

**NOTE 7 BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION**

AFOUND was established to solicit, receive, hold, invest, and reinvest donations and bequests, which are made primarily for the benefit of AMV, AS, BV, SH, CE, NR, RW, and Asbury Living. The Company records an interest in the net assets of AFOUND resulting from contributions with donor restrictions that are solicited and held by AFOUND to be used for the benefit of the Company. The Company's beneficial interest in the net assets of AFOUND was \$2,529,418 and \$2,431,917 as of December 31, 2025 and 2024, respectively.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
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DECEMBER 31, 2025 AND 2024**

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

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

	2025	2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 484,161	\$ 15,161
Pledges Receivable, Net	476,417	974,654
Prepaid Expenses and Other Assets	87,733	57,092
Total Current Assets	1,048,311	1,046,907
<b>PROPERTY AND EQUIPMENT</b>		
Property and Equipment, Net	59,609	80,678
Investments Restricted by Donor	49,954,109	44,237,078
Pledge Receivable, Net	14,653,217	11,593,802
Long-Term Investments	1,200,000	1,200,000
Funds Held in Trust	3,209,160	2,719,711
Total Assets	<b>\$ 70,124,406</b>	<b>\$ 60,878,176</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 13,348	\$ 167,100
Due to ACOMM, Net	26,587,288	18,227,891
Obligations under Charitable Gift Annuities	4,315,927	4,065,062
Total Liabilities	30,916,563	22,460,053
<b>NET ASSETS</b>		
With Donor Restrictions	39,207,843	38,418,123
Total Net Assets	39,207,843	38,418,123
Total Liabilities and Net Assets	<b>\$ 70,124,406</b>	<b>\$ 60,878,176</b>

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

The obligations under charitable gift annuities are based on the net present value of future payments to the beneficiary based on the discount rate that estimates the remaining life of the benefactor. Upon the death of the life beneficiary, the existing funds will be available for use by AMV, AS, BV, SH, CE, NR, RW, and Asbury Living.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
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**NOTE 8 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of December 31, 2025 and 2024:

	Useful Life	2025	2024
Land and Improvements	10 to 40 Years	\$ 7,254,973	\$ 7,148,740
Buildings and Improvements	10 to 40 Years	91,076,315	89,116,359
Furniture and Equipment	2 to 15 Years	12,831,784	12,775,182
Construction in Progress		-	23,569
Total		<u>111,163,072</u>	<u>109,063,850</u>
Less: Accumulated Depreciation		<u>(71,255,075)</u>	<u>(67,981,556)</u>
Property and Equipment, Net		<u>\$ 39,907,997</u>	<u>\$ 41,082,294</u>

Depreciation expense on property and equipment was \$4,856,991 and \$5,459,986 for the years ended December 31, 2025 and 2024.

**NOTE 9 RELATED PARTY TRANSACTIONS**

**Due to ACOMM**

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

- Accrued Salaries and Paid Time Off (PTO) – By utilizing the consolidated payroll function, all salaries and withholdings are processed through ACOMM. ACOMM recognizes employee compensation, including salaries and PTO for eligible associates in a cash value plan when the related services are performed. Accrued salaries and PTO are calculated, tracked and recognized as liabilities of ACOMM to the extent that the associates have earned the wages and PTO for each payroll period. These accruals do not affect the cash of the affiliates until paid out to the employees and is not cleared out of the intercompany accounts until paid. The intercompany account then will retain an amount equal to the accumulated value of accrued salaries and unused PTO for each affiliate.
- Deferred Service Fees – From time to time, service fees may be deferred by ACOMM to its affiliates in order to meet bond covenant requirements. These fees can be recouped by ACOMM in subsequent periods when financial performance warrants reducing or eliminating the deferral. The cumulative effect of these deferrals will be included in the affiliate intercompany account. For the years ended December 31, 2025 and 2024, respectively, there were \$-0- and \$1,466,321 service fees deferred in order to maintain bond covenant compliance.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 9 RELATED PARTY TRANSACTIONS (CONTINUED)**

**Due to ACOMM (Continued)**

- Longer term advances from one affiliate to another are subject to repayment terms agreed to by governing boards of both affiliates. These advances are accounted for in the intercompany accounts.
- Cash Management – Entities supported by ACOMM share a common cash management function. Operating cash of the group is swept as needed to accommodate investment of excess cash flow. Operating cash payments, including borrowings and payments of intercompany loans and balances, are made through the same sweep account. At any point in time, depending upon the timing of receipts, disbursements and other investment activity, members of the group may temporarily overdraw their share of the common operating cash. Cumulative positive cash flow levels will periodically be transferred to more permanent investment vehicles of the respective affiliate's books. The balance of cash and cash equivalents includes the Company's share of the common operating cash and amounts held in their individual 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 risk.

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

**Service Fees**

The Company received services from ACOMM under a service agreement at a cost of \$5,360,729 and \$6,285,619 in 2025 and 2024, respectively. Included in the services is an information technology fee. Service fees are charged on a pro rata basis to all the affiliates based upon total revenue. The payment of service fees to ACOMM is subordinate to all obligations of the Company under all of the Company's secured loan agreements.

**Pharmacy Services**

Albright has various service agreements with Asbury Atlantic and Asbury Living to receive pharmacy services for the benefit of the residents at AMV, AS, BV, SH, CE, GP and IG campuses. Albright submits monthly invoices for all products and services provided under the agreements. The term of the agreements will continue on an annual basis until termination by either party. The total cost of pharmacy services provided to AMV and AS for the years ended December 31, 2025 and 2024 was \$1,153,857 and \$1,158,055, respectively. The total cost of pharmacy services provided to BV and SH for the years ended December 31, 2025 and 2024 was \$333,789 and \$322,416, respectively. The total cost of pharmacy services provided to CE for the years ended December 31, 2025 and 2024 was \$417 and \$9, respectively. The total cost of pharmacy services provide to GP and IG for the years ended December 31, 2025 and 2024 was \$2,921 and \$54, respectively.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 10 LINE OF CREDIT**

The Company had an unsecured \$2,500,000 revolving demand line of credit with a financial institution that was renewable annually. The line of credit bore interest at the bank's prime rate plus 3.00%. The line of credit supported a letter of credit, in the amount of \$500,000, in connection with the Company's participation in the LIFE program. During 2024, the line of credit and letter of credit were terminated.

**NOTE 11 LONG-TERM DEBT**

Long-term debt as of December 31, 2025 and 2024 consists of the following:

	Interest Rate	Maturity Dates	2025	2024
<u>Bonds and Notes Payable:</u>				
Series 2025B Bonds	Variable Rate	2025-2040	\$ 9,111,633	\$ -
Series 2014 Master Note	Variable Rate	2014-2040	-	4,438,102
Series 2018 Master Note	Variable Rate	2018-2035	-	5,309,994
Total			9,111,633	9,748,096
Unamortized Deferred Financing Costs			(256,849)	(109,192)
Current Portion of Long-Term Debt			(462,653)	(916,376)
Total Bonds and Notes Payable			8,392,131	8,722,528
<u>Other Long-Term Debt:</u>				
Mortgage Note			2,936,636	3,018,811
Total			2,936,636	3,018,811
Unamortized Deferred Financing Costs			(69,823)	(72,938)
Current Portion Other Long-Term Debt			(85,268)	(82,175)
Total Other Long-Term Debt			2,781,545	2,863,698
Total Long-Term Debt			\$ 11,173,676	\$ 11,586,226

**Series 2025B Bonds**

In October 2025, Albright entered into a loan agreement with Union County Hospital Authority (the Authority) pursuant to which the Authority issued the Albright Care Services Project Series 2025B Revenue Bonds (Series 2025B Bonds) in the aggregate principal amount of \$9,186,687. The Series 2025B Bonds bear interest at an annual rate equal to adjusted SOFR (secured overnight financing rate) plus a spread of 0.92%. Albright has hedged its interest rate exposure associated with the 2025B Bonds as described in Note 12 below.

The proceeds of the Series 2025B Bonds were used to refund the outstanding Albright Series 2014 and Series 2018 bonds and to pay certain expenses incurred in connection with the issuance of the Series 2025B Bonds.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
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**NOTE 11 LONG-TERM DEBT (CONTINUED)**

**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%. Albright entered into an interest rate swap agreement which fixed the interest rates at 4.235% (Note 12).

Effective December 6, 2024, Albright executed an amendment to the loan documents that lowered the debt service payment schedule beginning in December 2024 through the date of maturity in 2035. The amendment is a result of the Riverwoods Skilled Nursing Facility sale as discussed in Note 1.

During the year ended December 31, 2025, the proceeds from the Series 2025B bonds were utilized to refund the outstanding Series A 2018 Master Note.

**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 seven years with interest at a variable rate based on 30-day SOFR plus a spread of 1.65%.

Effective December 6, 2024, Albright executed an amendment to the loan documents that modified certain covenant requirements for the Series B 2018 Master Note. The amendment is a result of the Riverwoods Skilled Nursing Facility sale as discussed in Note 1.

During the year ended December 31, 2025, the proceeds from the Series 2025B bonds were utilized to refund the outstanding Series B 2018 Master Note.

**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%. Albright entered into an interest rate swap agreement which fixed the interest rate at 4.15% (Note 12).

Effective December 6, 2024, Albright executed an amendment to the loan documents that lowered the debt service payment schedule beginning in December 2024 through the date of maturity in 2040. The amendment is a result of the Riverwoods Skilled Nursing Facility sale as discussed in Note 1.

During the year ended December 31, 2025, the proceeds from the Series 2025B bonds were utilized to refund the outstanding Series A 2014 Master Note.

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**NOTE 11 LONG-TERM DEBT (CONTINUED)**

**Mortgage Note**

In December 2013, Warrior Run Manor, Inc. 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.

**Deferred Financing Costs**

Costs incurred in relation to the issuance of long-term debt are deferred and amortized over the life of the debt using the straight-line method, which does not differ significantly from the effective interest method of amortization. The amortization of deferred financing costs is included in interest expense and totaled \$41,194 and \$50,797 for the years ended December 31, 2025 and 2024, respectively. Deferred financing fees have been netted against long-term debt in accordance with authoritative guidance.

**Liens and Covenants**

Collateral for the Series 2025 Bonds includes a lien on and security interest in the Company's gross revenues, as defined in the indenture agreements, and all real and personal property owned by the Company. The Mortgage Note is collateralized by property and equipment.

The Company is subject to various covenants under the loan agreements. As of December 31, 2025 and 2024, management is not aware of any noncompliance with these covenants.

**Debt Maturities**

A schedule of minimum maturities of long-term debt for the next five years and thereafter is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 547,921
2027	570,975
2028	594,045
2029	620,007
2030	646,101
Thereafter	9,069,220
Total	<u>\$ 12,048,269</u>

**ALBRIGHT CARE SERVICES AND AFFILIATE**  
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**NOTE 12 DERIVATIVE FINANCIAL INSTRUMENTS**

The Company 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 assets. 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.

The Company 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. During 2024, the Company executed amendments to the swap agreements that reduced the notional principal beginning in December 2024 through the date of termination. The amendment is a result of the Riverwoods Skilled Nursing Facility sale as discussed in Note 1. As a result of the refinancing discussed in Note 11, both swap agreements were terminated on October 1, 2025. The Company recognized a loss on termination of the swap agreements of \$77,928 which is included with loss on debt refinancing on the consolidated statements of operations for the year ended December 31, 2025.

In October 2025, the Company entered into a swap agreement in connection with the issuance of the Series 2025B Bonds. Under this agreement, the Company pays a fixed rate of interest of 3.928% and receives floating rate payments equal to adjusted SOFR plus a spread of 0.92% based on a notional amount equal to the principal amount of the Series 2025B Bonds. Payments under the swap agreement began on October 1, 2025 and will terminate on July 1, 2040.

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**NOTE 12 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

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

	Series 2025B	Series 2014	Series 2018	Total
Notional Amount - December 31, 2025	\$ 9,111,633	\$ -	\$ -	
Trade Date	10/1/2025	12/18/2014	10/4/2018	
Effective Date	10/1/2025	12/15/2015	10/4/2018	
Termination or Cancellation Date	7/1/2040	10/1/2025	10/1/2025	
Fixed Rate	3.928%	4.150%	4.235%	
Fair Value at December 31, 2023	\$ -	\$ 272,291	\$ 16,751	\$ 289,042
Unrealized Loss	-	(83,920)	(11,227)	(95,147)
Fair Value at December 31, 2024	-	188,371	5,524	193,895
Unrealized Loss	(21,036)	(110,979)	(4,988)	(137,003)
Swap Termination	-	(77,392)	(536)	(77,928)
Fair Value at December 31, 2025	<u>\$ (21,036)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,036)</u>

The Company has included the fair market value of these derivative instruments as an asset (liability) of (\$21,036) and \$193,895 as of December 31, 2025 and 2024, respectively, in the accompanying consolidated balance sheets. Within income from operations, the Company recorded a net unrealized loss on derivative instruments of \$137,003 and \$95,147 in 2025 and 2024, respectively.

**NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2025 and 2024 are subject to the following purpose or time restrictions:

	2025	2024
Restricted for the Following Purposes:		
Deferred-Giving Arrangements	\$ 106,639	\$ 116,714
Funds Available for Building Construction, Income Unrestricted	22,111	19,054
Beneficial Interest in Net Assets of Asbury Foundation, Inc.	493,527	512,163
Other Specific Purposes	1,317,642	2,482,335
Investments to be Held in Perpetuity:		
Perpetual Trusts	4,886,582	4,540,896
Endowment Funds	2,038,762	2,038,762
Deferred-Giving Arrangements	58,692	67,707
Beneficial Interest in Net Assets of Asbury Foundation, Inc.	2,035,891	1,919,754
Total Net Assets With Donor Restrictions	<u>\$ 10,959,846</u>	<u>\$ 11,697,385</u>

**ALBRIGHT CARE SERVICES AND AFFILIATE  
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**NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

The Company's endowment consists of several individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Investment and Spending Policies**

The Asbury Foundation has adopted investment and spending policies for the donor designated endowment funds that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments. Per the Asbury Foundation Board Endowment Committee (Endowment Committee), the objective is to maintain the purchasing power of the endowment assets and provide additional growth through investment return. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

A market review of the previous twelve quarters are used to determine the Endowment Committee approved spending rate, up to five percent (5.0%). In special cases, the Endowment Committee may consider approving a higher spending rate based on documented need and overall fund health, which requires a written request from the donor and/or donor designee submitted for approval. Given market fluctuations, there is potential for the principal market value to be less than the historical gift value ("Underwater Investments"). There were no Underwater Investments at December 31, 2025 and 2024. If there were to be Underwater Investments, the Endowment Committee would follow prudent spending measures in accordance with local state regulations. ACOMM is not obligated to fund any Underwater Investments. Income that exceeds the Endowment Committee-approved spending rate is added to the endowment principal.

A summary of the net assets with donor restrictions that are to be held in perpetuity for the years ended December 31, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Endowment Fund - Beginning of Year	\$ 8,567,119	\$ 8,266,411
Net Investment Income	346,560	333,426
Change in Value of Deferred-Giving Arrangement	(9,889)	4,369
Change in Beneficial Interest in Net Assets of Asbury Foundation, Inc.	116,137	490,948
Other Changes	-	(528,035)
Endowment Fund - End of Year	<u>\$ 9,019,927</u>	<u>\$ 8,567,119</u>

**ALBRIGHT CARE SERVICES AND AFFILIATE  
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**NOTE 14 RETIREMENT PLAN**

ACOMM and its affiliates sponsor a defined-contribution plan (the Plan) under IRC Section 401(k). All full-time employees of ACOMM and affiliates are eligible to participate in the Plan. The Plan provides that eligible employees may elect a salary deferral up to the maximum amount allowed as a deduction by the Internal Revenue Code. The employer match is 100% of employee contributions up to 3% and 50% on the next 2% of contributions for each eligible employee. Employer's contribution expense under this Plan were \$437,961 and \$662,917 for the years ended December 31, 2025 and 2024, respectively.

**NOTE 15 COMMITMENTS AND CONTINGENCIES**

**Caring Communities, a Reciprocal Risk Retention Group**

ACOMM and its affiliates participate 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, 2026.

CCrRRG provides insurance coverage to its members, which are nonprofit, predominantly faith based, senior housing, and healthcare providers. In February 2026, CCrRRG was affirmed as a rating of "A (Excellent)" for its financial strength with a stable outlook by A.M. Best Co., one of the leading rating agencies.

ACOMM executed a subscription agreement and made capital contributions in exchange for an interest in CCrRRG. Through December 31, 2025, ACOMM's capital contributions were \$560,508. ACOMM's total capital contribution represents 1.85% of CCrRRG as of December 31, 2025. The percentage may be affected by the future addition of members to CCrRRG.

**Health Insurance**

ACOMM and its affiliates have a self-funding arrangement for health insurance coverage. For the years ended December 31, 2025 and 2024 ACOMM and affiliates had stop-loss coverage for any claim exceeding \$200,000 per participant with unlimited reimbursement after a \$75,000 aggregate deductible (one time across all claimants). Beginning January 1, 2026, ACOMM and affiliates have stop-loss coverage for any claim exceeding \$250,000 per participant with unlimited reimbursement after a \$75,000 aggregate deductible (one time across all claimants).

**ALBRIGHT CARE SERVICES AND AFFILIATE  
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**NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Affiliation Capital Commitment**

As part of the affiliation with ACOMM, ACOMM made a commitment to make \$10,000,000 available to the Company in support of mutually agreed upon projects which may include new construction, renovation, business line expansion and service enhancement over a five-year period beginning in 2021. For the years ended December 31, 2025 and 2024, \$0- and \$3,733,679, respectively, was treated as a transfer of capital on the consolidated statements of changes in net assets.

**Legal Actions and Claims**

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

**Lease Commitments**

The Company leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 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.

	2025	2024
Lease Cost:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	\$ 136,934	\$ 151,958
Interest on Lease Liabilities	4,655	7,612
Operating Lease Cost	1,284,560	1,720,863
Total Lease Cost	\$ 1,426,149	\$ 1,880,433
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	\$ 4,655	\$ 7,612
Operating Cash Flows from Operating Leases	1,284,560	1,720,863
Financing Cash Flows from Finance Leases	122,105	146,208
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	11,015	28,025
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	233,308	163,518
Weighted-Average Remaining Lease Term - Finance Leases	1.68 Years	2.60 Years
Weighted-Average Remaining Lease Term - Operating Leases	11.01 Years	11.20 Years
Weighted-Average Discount Rate - Finance Leases	2.00%	2.00%
Weighted-Average Discount Rate - Operating Leases	2.97%	2.99%

**ALBRIGHT CARE SERVICES AND AFFILIATE  
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**NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Lease Commitments (Continued)**

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2025 is as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>	<u>Finance Leases</u>
2026	\$ 1,065,065	\$ 113,847
2027	1,077,356	57,682
2028	1,043,254	8,303
2029	862,881	-
2030	623,965	-
Thereafter	5,057,919	-
Total	<u>9,730,440</u>	<u>179,832</u>
Less: Interest Expense	<u>(1,508,688)</u>	<u>(2,842)</u>
Amounts Recognized in the Consolidated Balance Sheets	<u>\$ 8,221,752</u>	<u>\$ 176,990</u>

**NOTE 16 FUNCTIONAL EXPENSES**

The Company provides continuing and long-term care for seniors. Expenses related to providing these services are as follows for the years ended December 31:

	<u>2025</u>		<u>Total</u>
	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Continuing Care Services</u>	<u>Management and General</u>	
Salaries and Wages	\$ 17,377,257	\$ -	\$ 17,377,257
Employee Benefits	4,334,956	-	4,334,956
Contract Labor	2,458,934	-	2,458,934
Food Purchases	1,310,537	-	1,310,537
Medical Supplies and Other			
Resident Costs	16,301,196	-	16,301,196
General and Administrative	-	1,668,533	1,668,533
Building and Maintenance	6,080,503	-	6,080,503
Professional Fees and Insurance	712,290	-	712,290
Interest	1,060,380	-	1,060,380
Taxes	498,578	-	498,578
Provision for Credit Losses	(11,805)	-	(11,805)
Depreciation and Amortization	5,442,996	-	5,442,996
Service and Other Fees	-	5,461,932	5,461,932
Total Functional Expenses	<u>\$ 55,565,822</u>	<u>\$ 7,130,465</u>	<u>\$ 62,696,287</u>

**ALBRIGHT CARE SERVICES AND AFFILIATE**  
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**NOTE 16 FUNCTIONAL EXPENSES (CONTINUED)**

	2024		Total
	Program Services	Supporting Services	
	Continuing Care Services	Management and General	
Salaries and Wages	\$ 25,208,623	\$ -	\$ 25,208,623
Employee Benefits	6,075,998	-	6,075,998
Contract Labor	4,313,953	-	4,313,953
Food Purchases	1,539,482	-	1,539,482
Medical Supplies and Other			
Resident Costs	20,893,301	-	20,893,301
General and Administrative	-	2,014,303	2,014,303
Building and Maintenance	7,145,167	-	7,145,167
Professional Fees and Insurance	864,194	-	864,194
Interest	1,710,404	-	1,710,404
Taxes	222,616	-	222,616
Provision for Credit Losses	676,335	-	676,335
Depreciation and Amortization	6,061,015	-	6,061,015
Service and Other Fees	-	6,440,401	6,440,401
Total Functional Expenses	<u>\$ 74,711,088</u>	<u>\$ 8,454,704</u>	<u>\$ 83,165,792</u>

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

**NOTE 17 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.

Assets and 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.

**ALBRIGHT CARE SERVICES AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 17 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

Funds held in trust are classified as Level 3 within the fair value hierarchy because the fair value measurement is based on inputs that are not observable in active markets, including assumptions related to the timing and term of future distributions. The investments are held and valued by an independent trustee. Fair value is based on information provided by the independent trustee.

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 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 tables 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:

Recurring Fair Value Measures	Fair Value as of December 31, 2025			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash and Short-Term Investments	\$ 2,638,552	\$ -	\$ -	\$ 2,638,552
Fixed Income Mutual Funds	6,494,121	-	-	6,494,121
Equity Mutual Funds	12,329,320	-	-	12,329,320
Subtotal	21,461,993	-	-	21,461,993
Funds Held in Trust	-	-	4,961,203	4,961,203
<b>Total Assets</b>	<b>\$ 21,461,993</b>	<b>\$ -</b>	<b>\$ 4,961,203</b>	<b>\$ 26,423,196</b>
<b>Liabilities:</b>				
Obligation Under Deferred-Giving Arrangements	\$ -	\$ 73,786	\$ -	\$ 73,786
Derivative Instruments	-	21,036	-	21,036
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 94,822</b>	<b>\$ -</b>	<b>\$ 94,822</b>

**ALBRIGHT CARE SERVICES AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 17 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

Recurring Fair Value Measures	Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash and Short-Term Investments	\$ 4,516,276	\$ -	\$ -	\$ 4,516,276
Fixed Income Mutual Funds	5,882,878	-	-	5,882,878
Equity Mutual Funds	13,249,169	-	-	13,249,169
Derivative Instruments	-	193,895	-	193,895
Subtotal	23,648,323	193,895	-	23,842,218
Funds Held in Trust	-	-	4,609,022	4,609,022
Investments Measured at Fair Value Using Net Asset Value Per Share	-	-	-	376,825
<b>Total Assets</b>	<b>\$ 23,648,323</b>	<b>\$ 193,895</b>	<b>\$ 4,609,022</b>	<b>\$ 28,828,065</b>
<b>Liabilities:</b>				
Obligation Under Deferred-Giving Arrangements	\$ -	\$ 98,967	\$ -	\$ 98,967

Beneficial interest in perpetual trusts are included with funds held in trust on the consolidated balance sheets. The following table provides a summary of unobservable inputs related to the Company's beneficial interest in perpetual trusts as of December 31:

Instrument	Fair Value	2025	
		Principal Valuation Technique	Unobservable Inputs
Beneficial Interest In Perpetual Trust	\$ 4,961,203	FMV of trust investments from trustee	Estimated term and timing of future distributions
Instrument	Fair Value	2024	
		Principal Valuation Technique	Unobservable Inputs
Beneficial Interest In Perpetual Trust	\$ 4,609,022	FMV of trust investments from trustee	Estimated term and timing of future distributions

There were no purchases, sales or transfers for the years ended December 31, 2025 and 2024 related to the beneficial interest in perpetual trusts.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 18 SUBSEQUENT EVENTS**

**Albright LIFE and Albright Pharmacy**

In July 2025, Albright entered into an Asset Purchase Agreement (APA) with a consortium of related buyers. Under the terms of the APA, the buyers will acquire all Albright LIFE (Living Independence for the Elderly) sites along with all related Albright LIFE real property, leases, operations, and tangible assets, and the Albright Pharmacy, along with all related Albright Pharmacy leases, operations, and tangible assets, for a purchase price of \$6,500,000 plus 85% of the aggregate value of the pharmacy assets as defined in the APA.

As of December 31, 2025, and through April 16, 2026, the transaction has not been finalized and is subject to approval by the Centers for Medicare and Medicaid (CMS), as well as the satisfaction of other customary closing conditions. Accordingly, no amounts related to this proposed transaction have been recorded in the accompanying consolidated financial statements.

There can be no assurance that CMS approval will be obtained or that the transaction will be consummated. Management will continue to work with CMS and other parties toward completion of the proposed transaction.

**Warrior Run Manor**

In November 2025, Warrior Run Manor entered into a Purchase and Sale Agreement (PSA) with a buyer. Under the terms of the PSA, the buyer will acquire the apartment community, known as Warrior Run Manor, along with all other tangible personal property, for a purchase price of \$5,300,000.

As of December 31, 2025, and through April 16, 2026, the transaction has not been finalized and is subject to approval by HUD, as well as the satisfaction of other customary closing conditions. Accordingly, no amounts related to this proposed transaction have been recorded in the accompanying consolidated financial statements.

There can be no assurance that HUD approval will be obtained or that the transaction will be consummated. Management will continue to work with HUD and other parties toward completion of the proposed transaction.

**ALBRIGHT CARE SERVICES AND AFFILIATE  
CONSOLIDATING BALANCE SHEET  
DECEMBER 31, 2025  
(SEE INDEPENDENT AUDITORS' REPORT)**

<b>ASSETS</b>	Riverwoods	Normandie Ridge	LIFE Program	Pharmacy	Fund Development	Total Albright Care Services	Warrior Run Manor, Inc.	Eliminations	Total
<b>CURRENT ASSETS</b>									
Cash and Cash Equivalents	\$ 2,792,659	\$ 233,307	\$ 1,300	\$ 400	\$ -	\$ 3,027,666	\$ 305,151	\$ -	\$ 3,332,817
Investments	8,268,435	6,088,078	-	-	-	14,356,513	-	-	14,356,513
Accounts Receivable	201,170	1,439,926	513,092	426,289	-	2,580,477	-	-	2,580,477
Allowance for Credit Losses	(147,953)	(356,751)	(115,976)	(37,134)	-	(657,814)	-	-	(657,814)
Other Receivables and Prepaid Expenses	830,249	636,675	356,778	862,484	-	2,686,186	39,309	(87,749)	2,637,746
Total Current Assets	<u>11,944,560</u>	<u>8,041,235</u>	<u>755,194</u>	<u>1,252,039</u>	<u>-</u>	<u>21,993,028</u>	<u>344,460</u>	<u>(87,749)</u>	<u>22,249,739</u>
<b>PROPERTY AND EQUIPMENT</b>									
Due from ACOMM. Net	-	7,750,127	-	5,475,218	-	13,225,345	-	(13,225,345)	-
Property and Equipment, Net	15,974,881	21,107,327	1,183,643	707,343	-	38,973,194	934,803	-	39,907,997
Right-Of-Use Assets - Operating Leases, Net	3,315	-	7,870,012	44,490	-	7,917,817	-	-	7,917,817
Right-Of-Use Assets - Finance Leases, Net	7,668	15,078	31,210	111,886	-	165,842	529	-	166,371
Investments Restricted By Donors	-	-	-	-	4,788,265	4,788,265	-	-	4,788,265
Investments Held Under Bond Indenture	-	-	-	-	-	-	728,803	-	728,803
Deposits and Other Assets	41,691	5,730	96,528	-	-	143,949	28,097	-	172,046
Intangible Assets	-	-	261,957	-	-	261,957	-	-	261,957
Statutory Reserves	501,273	1,087,139	-	-	-	1,588,412	-	-	1,588,412
Funds Held In Trust	4,725,457	235,746	-	-	-	4,961,203	-	-	4,961,203
Beneficial Interest in Net Assets of Foundation	365,060	2,107,241	-	-	57,117	2,529,418	-	-	2,529,418
Total Assets	<u>\$ 33,563,905</u>	<u>\$ 40,349,623</u>	<u>\$ 10,198,544</u>	<u>\$ 7,590,976</u>	<u>\$ 4,845,382</u>	<u>\$ 96,548,430</u>	<u>\$ 2,036,692</u>	<u>\$ (13,313,094)</u>	<u>\$ 85,272,028</u>

**ALBRIGHT CARE SERVICES AND AFFILIATE  
CONSOLIDATING BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2025  
(SEE INDEPENDENT AUDITORS' REPORT)**

<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>	Riverwoods	Normandie Ridge	LIFE Program	Pharmacy	Fund Development	Total Albright Care Services	Warrior Run Manor, Inc.	Eliminations	Total
<b>CURRENT LIABILITIES</b>									
Accounts Payable and Accrued Expenses	\$ 269,681	\$ 228,823	\$ 402,385	\$ 20,361	\$ -	\$ 921,250	\$ 288,522	\$ (87,749)	\$ 1,122,023
Accrued Compensation and Related Items	40,751	-	-	-	-	40,751	-	-	40,751
Accrued Interest Payable	15,460	16,059	-	-	-	31,519	9,055	-	40,574
Obligation Under Deferred-Giving Arrangements	-	-	-	-	13,336	13,336	-	-	13,336
Deposits From Prospective Residents and Other Deposits	289,600	204,684	-	-	-	494,284	-	-	494,284
Entrance Fees - Refundable	396,404	62,744	-	-	-	459,148	-	-	459,148
Deferred Revenue	20,395	44,448	22,503	883	-	88,229	-	-	88,229
Reserve for LIFE Program	-	-	2,744,045	-	-	2,744,045	-	-	2,744,045
Current Portion of Lease Liabilities - Operating Leases	1,959	-	823,528	9,294	-	834,781	-	-	834,781
Current Portion of Lease Liabilities - Finance Leases	3,336	7,530	14,881	85,576	-	111,323	264	-	111,587
Current Maturities of Long-Term Debt	226,931	235,722	-	-	-	462,653	85,268	-	547,921
Total Current Liabilities	<u>1,264,517</u>	<u>800,010</u>	<u>4,007,342</u>	<u>116,114</u>	<u>13,336</u>	<u>6,201,319</u>	<u>383,109</u>	<u>(87,749)</u>	<u>6,496,679</u>
<b>LONG-TERM LIABILITIES</b>									
Due to ACOMM, Net	13,249,212	-	15,799,461	-	579,628	29,628,301	-	(13,225,345)	16,402,956
Long-Term Lease Liabilities - Operating Leases, Net of Current	1,356	-	7,350,419	35,196	-	7,386,971	-	-	7,386,971
Long-Term Lease Liabilities - Finance Leases, Net of Current	4,409	9,952	19,109	31,584	-	65,054	349	-	65,403
Long-Term Debt, Net of Current	4,117,509	4,274,623	-	-	-	8,392,132	2,781,544	-	11,173,676
Contingent Refundable Entrance Fee Liability	3,054,602	936,916	-	-	-	3,991,518	-	-	3,991,518
Entrance Fees - Deferred Revenue	11,859,319	14,540,747	-	-	-	26,400,066	-	-	26,400,066
Obligations Under Deferred-Giving Arrangements	-	-	-	-	60,450	60,450	-	-	60,450
Valuation of Derivative Instruments	10,318	10,718	-	-	-	21,036	-	-	21,036
Total Liabilities	<u>33,561,242</u>	<u>20,572,966</u>	<u>27,176,331</u>	<u>182,894</u>	<u>653,414</u>	<u>82,146,847</u>	<u>3,165,002</u>	<u>(13,313,094)</u>	<u>71,998,755</u>
<b>NET ASSETS (DEFICIT)</b>									
Without Donor Restrictions	(5,087,855)	17,433,671	(16,977,787)	7,408,082	665,626	3,441,737	(1,128,310)	-	2,313,427
With Donor Restrictions	5,090,518	2,342,986	-	-	3,526,342	10,959,846	-	-	10,959,846
Total Net Assets (Deficit)	<u>2,663</u>	<u>19,776,657</u>	<u>(16,977,787)</u>	<u>7,408,082</u>	<u>4,191,968</u>	<u>14,401,583</u>	<u>(1,128,310)</u>	<u>-</u>	<u>13,273,273</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 33,563,905</u>	<u>\$ 40,349,623</u>	<u>\$ 10,198,544</u>	<u>\$ 7,590,976</u>	<u>\$ 4,845,382</u>	<u>\$ 96,548,430</u>	<u>\$ 2,036,692</u>	<u>\$ (13,313,094)</u>	<u>\$ 85,272,028</u>

**ALBRIGHT CARE SERVICES AND AFFILIATE**  
**CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT)**  
**YEAR ENDED DECEMBER 31, 2025**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Riverwoods	Normandie Ridge	LIFE Program	Pharmacy	Fund Development	Total Albright Care Services	Warrior Run Manor, Inc.	Eliminations	Consolidated
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>									
Resident and Client Services Revenue	\$ 5,342,361	\$ 15,988,948	\$ 23,453,745	\$ 10,936,727	\$ (160,589)	\$ 55,561,192	\$ -	\$ (3,827,723)	\$ 51,733,469
Other Operating Revenue	656,902	266,113	(333,578)	244,280	-	833,717	937,404	(254,002)	1,517,119
Amortization of Entrance Fees	1,683,771	1,996,020	-	-	-	3,679,791	-	-	3,679,791
Interest and Dividend Income, Net	471,238	395,597	78,840	139,217	(850)	1,084,042	377	-	1,084,419
Net Realized Gains on Investments	103,890	14,260	-	-	191,937	310,087	-	-	310,087
Net Unrealized Gain on Equity Security Investments	876,587	717,208	-	-	747	1,594,542	-	-	1,594,542
Net Assets Released from Restrictions Used for Operations	-	-	-	-	1,643,334	1,643,334	-	-	1,643,334
Allocations from Asbury Foundation, Inc.	246,080	495,495	-	-	2,169	743,744	-	-	743,744
Total Revenues, Gains, and Other Support	<u>9,380,829</u>	<u>19,873,641</u>	<u>23,199,007</u>	<u>11,320,224</u>	<u>1,676,748</u>	<u>65,450,449</u>	<u>937,781</u>	<u>(4,081,725)</u>	<u>62,306,505</u>
<b>EXPENSES</b>									
Salaries	2,183,554	6,985,475	6,419,391	1,809,207	-	17,397,627	154,617	(174,987)	17,377,257
Employee Benefits	635,372	1,584,330	1,641,339	453,545	-	4,314,586	34,865	(14,495)	4,334,956
Contract Labor	322,101	1,848,879	270,299	17,655	-	2,458,934	-	-	2,458,934
Food Purchases	362,641	739,125	208,771	-	-	1,310,537	-	-	1,310,537
Medical Supplies and Other Resident Costs	182,822	1,213,293	11,471,503	7,261,301	-	20,128,919	-	(3,827,723)	16,301,196
General and Administrative	191,239	311,913	912,600	243,233	-	1,658,985	74,068	(64,520)	1,668,533
Building and Maintenance	1,399,405	1,864,643	2,389,274	242,787	-	5,896,109	184,394	-	6,080,503
Professional Fees and Property Insurance	138,654	204,111	195,506	140,542	-	678,813	33,477	-	712,290
Interest	407,755	219,489	260,915	3,624	42,210	933,993	126,387	-	1,060,380
Taxes	381,549	85,485	28,225	3,319	-	498,578	-	-	498,578
Provision for (Recovery of) Credit Losses	(3,235)	39,185	(75,030)	27,275	-	(11,805)	-	-	(11,805)
Depreciation and Amortization	1,834,453	2,519,662	748,904	213,531	-	5,316,550	126,446	-	5,442,996
Service and Other Fees	295,560	1,969,556	2,582,353	614,463	-	5,461,932	-	-	5,461,932
Total Expenses	<u>8,331,870</u>	<u>19,585,146</u>	<u>27,054,050</u>	<u>11,030,482</u>	<u>42,210</u>	<u>66,043,758</u>	<u>734,254</u>	<u>(4,081,725)</u>	<u>62,696,287</u>
<b>INCOME (LOSS) FROM OPERATIONS PRIOR TO LOSS ON DISPOSAL OF ASSETS, GAIN (LOSS) ON DISCONTINUED OPERATIONS, LOSS ON DEBT REFINANCING, AND UNREALIZED LOSS ON DERIVATIVE FINANCIAL INSTRUMENTS</b>	<u>1,048,959</u>	<u>288,495</u>	<u>(3,855,043)</u>	<u>289,742</u>	<u>1,634,538</u>	<u>(593,309)</u>	<u>203,527</u>	<u>-</u>	<u>(389,782)</u>
Loss on Disposal of Assets	(23,569)	-	(197,130)	-	-	(220,699)	-	-	(220,699)
Gain (Loss) on Discontinued Operations	(398,920)	-	2,606,605	-	-	2,207,685	-	-	2,207,685
Loss on Debt Refinancing	(127,002)	(26,465)	-	-	-	(153,467)	-	-	(153,467)
Unrealized Loss on Derivative Financial Instruments	(85,383)	(51,620)	-	-	-	(137,003)	-	-	(137,003)
Total Nonoperating Loss	<u>(634,874)</u>	<u>(78,085)</u>	<u>2,409,475</u>	<u>-</u>	<u>-</u>	<u>1,696,516</u>	<u>-</u>	<u>-</u>	<u>1,696,516</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>414,085</u>	<u>210,410</u>	<u>(1,445,568)</u>	<u>289,742</u>	<u>1,634,538</u>	<u>1,103,207</u>	<u>203,527</u>	<u>-</u>	<u>1,306,734</u>

**ALBRIGHT CARE SERVICES AND AFFILIATE  
CONSOLIDATING STATEMENT OF OPERATIONS AND  
CHANGES IN NET ASSETS (DEFICIT) (CONTINUED)  
YEAR ENDED DECEMBER 31, 2025  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Riverwoods	Normandie Ridge	LIFE Program	Pharmacy	Fund Development	Total Albright Care Services	Warrior Run Manor, Inc.	Eliminations	Consolidated
<b>OTHER CHANGES IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS</b>									
Change in Value of Deferred-Giving Arrangements	\$ -	\$ -	\$ -	\$ -	\$ (51,694)	\$ (51,694)	\$ -	\$ -	\$ (51,694)
Net Unrealized Gain on Fixed Income Securities and Other Investments	372,717	304,950	-	-	317	677,984	-	-	677,984
Transfer of Capital	6,447,978	5,275,619	-	-	(11,723,597)	-	-	-	-
Net Assets Released from Restrictions Used for Purchase of Capital Items	4,500	6,185	-	-	-	10,685	-	-	10,685
Total Other Changes in Net Assets (Deficit) Without Donor Restrictions	6,825,195	5,586,754	-	-	(11,774,974)	636,975	-	-	636,975
<b>INCREASE (DECREASE) IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS</b>	7,239,280	5,797,164	(1,445,568)	289,742	(10,140,436)	1,740,182	203,527	-	1,943,709
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>									
Investment Income, Net	330,528	21,653	-	-	477,583	829,764	-	-	829,764
Change in Value of Deferred-Giving Arrangements	-	-	-	-	(21,470)	(21,470)	-	-	(21,470)
Change in Beneficial Interest in Net Assets of Foundation	199,398	46,400	-	-	(137,612)	108,186	-	-	108,186
Net Assets Released from Restrictions Used for Operations	-	-	-	-	(1,643,334)	(1,643,334)	-	-	(1,643,334)
Net Assets Released from Restrictions Used for Purchase of Capital Items	(4,500)	(6,185)	-	-	-	(10,685)	-	-	(10,685)
Transfer of Capital	4,394,930	214,091	-	-	(4,609,021)	-	-	-	-
Net Increase (Decrease) in Net Assets With Donor Restrictions	4,920,356	275,959	-	-	(5,933,854)	(737,539)	-	-	(737,539)
<b>CHANGE IN NET ASSETS (DEFICIT)</b>	12,159,636	6,073,123	(1,445,568)	289,742	(16,074,290)	1,002,643	203,527	-	1,206,170
Net Assets (Deficit) - Beginning of Year	(12,156,973)	13,703,534	(15,532,219)	7,118,340	20,266,258	13,398,940	(1,331,837)	-	12,067,103
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	\$ 2,663	\$ 19,776,657	\$ (16,977,787)	\$ 7,408,082	\$ 4,191,968	\$ 14,401,583	\$ (1,128,310)	\$ -	\$ 13,273,273



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