

ASBURY COMMUNITIES, INC.
**CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**
YEARS ENDED DECEMBER 31, 2025 AND 2024



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**ASBURY COMMUNITIES, INC.
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YEARS ENDED DECEMBER 31, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

Audit Committee
Asbury Communities, Inc.
Frederick, Maryland

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Asbury Communities, Inc. (a Maryland nonprofit corporation) and its subsidiaries, which comprise consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and changes in net deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Asbury Communities, Inc. and its subsidiaries as of December 31, 2025 and 2024, and the results of their operations, changes in net deficit, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (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 Asbury Communities, Inc. and its subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Asbury Communities, Inc. and its subsidiaries ability to continue as a going concern 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 Asbury Communities, Inc. and its subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Asbury Communities, Inc. and its subsidiaries' ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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



CliftonLarsonAllen LLP

Timonium, Maryland
April 16, 2026

**ASBURY COMMUNITIES, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024**

ASSETS	2025	2024
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 30,015,212	\$ 25,723,061
Investments	95,369,796	67,575,918
Accounts Receivable	9,992,454	12,542,185
Allowance for Credit Losses	(2,292,023)	(2,828,236)
Pledges Receivable, Net	476,417	974,654
Other Receivables and Prepaid Expenses	12,799,607	15,634,907
Investments Held under Bond Indenture	9,549,047	9,553,877
Total Current Assets	155,910,510	129,176,366
PROPERTY AND EQUIPMENT		
Property and Equipment, Net	346,101,019	354,776,758
Right-of-Use Assets - Operating Leases, Net	10,443,859	12,122,116
Right-of-Use Assets - Finance Leases, Net	345,108	555,931
Investments Restricted by Donors	71,138,224	62,653,577
Deposits and Other Assets	1,435,368	2,218,635
Other Intangible Assets, Net	799,457	1,615,432
Investments Held under Bond Indenture	18,500,760	20,022,294
Long-Term Investments	1,455,643	3,168,513
Statutory Reserves	31,320,295	30,418,782
Investments Restricted by Board	5,901,801	5,319,953
Pledges Receivable, Net	14,653,217	11,593,802
Funds Held in Trust	10,784,153	9,755,224
Valuation of Derivative Instruments	2,353,505	3,884,750
Total Assets	\$ 671,142,919	\$ 647,282,133

See accompanying Notes to Consolidated Financial Statements.

ASBURY COMMUNITIES, INC.
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2025 AND 2024

	2025	2024
LIABILITIES AND NET DEFICIT		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 21,813,239	\$ 20,317,905
Accrued Compensation and Related Items	12,056,895	12,463,567
Accrued Interest Payable	4,787,477	4,937,430
Obligations under Deferred-Giving Arrangements	706,990	714,542
Deposits from Prospective Residents	5,619,594	5,639,770
Entrance Fees - Refundable	2,592,704	5,798,157
Deferred Revenue	1,175,601	2,431,377
Reserve for LIFE Program	2,744,045	2,250,381
Current Portion of Lease Liabilities - Operating Leases	1,762,423	1,896,161
Current Portion of Lease Liabilities - Finance Leases	197,528	236,033
Current Portion of Long-Term Debt	14,046,957	32,778,175
Total Current Liabilities	67,503,453	89,463,498
LONG-TERM LIABILITIES		
Long-Term Lease Liabilities - Operating Leases, Net of Current	9,282,819	10,910,436
Long-Term Lease Liabilities - Finance Leases, Net of Current	164,429	292,352
Long-Term Debt, Net	256,387,266	251,432,962
Contingent Refundable Entrance Fee Liability	124,300,424	140,675,943
Entrance Fees - Deferred Revenue	236,724,043	217,610,194
Obligations under Deferred-Giving Arrangements	3,815,646	3,590,634
Other Long-Term Liabilities	1,699,025	1,729,687
Total Liabilities	699,877,105	715,705,706
NET ASSETS (DEFICIT)		
Without Donor Restriction	(83,669,274)	(123,456,542)
With Donor Restrictions	54,935,088	55,032,969
Total Net Deficit	(28,734,186)	(68,423,573)
Total Liabilities and Net Deficit	\$ 671,142,919	\$ 647,282,133

See accompanying Notes to Consolidated Financial Statements.

ASBURY COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
AND CHANGES IN NET DEFICIT
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUES, GAINS, AND OTHER SUPPORT		
Resident and Client Service Revenue	\$ 222,015,583	\$ 227,483,064
Other Operating Revenue	14,568,791	15,437,780
Amortization of Entrance Fees	34,548,894	33,621,365
Interest and Dividend Income, Net	6,224,437	6,077,065
Net Realized Gain (Loss) on Investments	(473,759)	13,714,761
Net Unrealized Gain (Loss) on Equity Securities	20,164,408	(3,159,284)
Contributions of Cash and Other Financial Assets	3,354,291	3,612,226
Contributions of Nonfinancial Assets	952,840	920,770
Net Assets Released from Restrictions Used for Operations	3,767,228	1,675,911
Total Revenues, Gains, and Other Support	305,122,713	299,383,658
EXPENSES		
Salaries	100,833,266	109,134,533
Employee Benefits	19,549,805	23,860,782
Cost of Goods Sold	241,035	168,014
Contract Labor	14,181,284	15,400,136
Food Purchases	8,835,090	8,747,868
Medical Supplies and Other Resident Costs	20,778,948	24,984,023
General and Administrative	10,820,823	10,317,678
Building and Maintenance	29,195,919	29,121,303
Professional Fees and Insurance	3,317,875	3,370,966
Interest	12,685,117	13,799,832
Taxes	5,714,883	5,818,535
Provisions for Credit Losses	1,256,280	1,577,262
Depreciation and Amortization	36,926,430	38,431,205
Total Expenses	264,336,755	284,732,137
INCOME FROM OPERATIONS PRIOR TO NET UNREALIZED GAIN (LOSS) ON CHANGE IN MARKET VALUE OF DERIVATIVE INSTRUMENTS, GAIN (LOSS) ON DISCONTINUED OPERATIONS, LOSS ON DEBT REFINANCING, AND GAIN (LOSS) ON DISPOSAL OF ASSETS	40,785,958	14,651,521
OTHER INCOME (LOSS)		
Net Unrealized Gain (Loss) on Change in Market Value of Derivative Instruments	(1,453,317)	471,870
Gain (Loss) on Discontinued Operations	(382,834)	25,956,820
Loss on Debt Refinancing	(999,435)	-
Gain (Loss) on Disposal of Assets	(708,557)	528,564
INCOME FROM OPERATIONS	37,241,815	41,608,775

See accompanying Notes to Consolidated Financial Statements.

ASBURY COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
AND CHANGES IN NET DEFICIT (CONTINUED)
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
NET DEFICIT WITHOUT DONOR RESTRICTIONS		
Income from Operations	\$ 37,241,815	\$ 41,608,775
Net Assets Released from Restrictions Used for Purchases of Capital Items	1,341,924	1,893,105
Change in Value of Deferred-Giving Arrangements	(300,712)	(228,629)
Net Unrealized Gain on Fixed Income Securities and Other Investments	1,504,241	4,683,918
Net Change in Net Deficit Without Donor Restrictions	39,787,268	47,957,169
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions of Cash and Other Financial Assets	4,351,961	4,416,894
Contributions of Nonfinancial Assets	-	363,792
Net Assets Released from Restrictions for Operations	(3,767,228)	(1,675,911)
Net Assets Released from Restrictions Used for Purchases of Capital Items	(1,341,924)	(1,893,105)
Net Investment Income	845,753	700,994
Change in Value of Deferred-Giving Arrangements	(186,443)	(172,911)
Other Changes	-	(712,145)
Net Change in Net Assets With Donor Restrictions	(97,881)	1,027,608
CHANGES IN NET DEFICIT	39,689,387	48,984,777
Net Deficit - Beginning of Year	(68,423,573)	(117,408,350)
NET DEFICIT - END OF YEAR	\$ (28,734,186)	\$ (68,423,573)

See accompanying Notes to Consolidated Financial Statements.

ASBURY COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Deficit	\$ 39,689,387	\$ 48,984,777
Adjustments to Reconcile Changes in Net Deficit to Net Cash Used by Operating Activities:		
Provision for Credit Losses	1,256,280	1,577,262
Depreciation and Amortization	36,629,932	38,089,329
Straight-Line Rent Adjustment	(28,093)	7,925
Amortization of Deferred Financing Costs	670,412	801,652
Amortization of Bond Premium/Discount	(780,551)	(780,551)
Amortization of Entrance Fees	(34,548,894)	(33,621,365)
Amortization of Right-of-Use Asset - Finance Leases	296,498	341,876
Net Proceeds from Nonrefundable Entrance Fees	57,182,133	42,840,352
Net Unrealized Gain on Investments	(22,514,402)	(2,225,628)
Net Realized (Gain) Loss on Investments	473,759	(13,714,761)
Net Unrealized (Gain) Loss on Change in Market Value of Derivative Instruments	1,453,317	(471,870)
Changes in Value of Deferred-Giving Arrangements	487,155	401,540
Restricted Contributions Received	(4,351,961)	(4,780,686)
(Gain) Loss on Discontinued Operations	382,834	(25,956,820)
(Gain) Loss on Disposal of Assets	708,557	(528,564)
Loss on Retirement of Debt	999,435	-
Changes in Assets and Liabilities:		
Accounts Receivable	665,781	(1,064,039)
Other Receivables and Prepaid Expenses	(38,700)	56,271
Deferred Entrance Fees	2,862,283	(1,545,526)
Deposits and Other Assets	684,647	(60,894)
Pledges Receivable, Net	(2,561,178)	(2,965,833)
Deferred Revenue	(4,459,143)	(5,083,105)
Accounts Payable and Accrued Expenses	1,365,361	(5,406,080)
Accrued Interest Payable	(665,463)	(229,472)
Other Long-Term Liabilities	(30,662)	62,274
Net Cash Provided by Operating Activities	75,828,724	34,728,064
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment, Net	(27,748,155)	(39,739,436)
Funds Held in Trust	(1,028,929)	235,087
Net Proceeds from Sale of Riverwoods Skilled Nursing Facility	-	7,058,983
Purchases of Investments	(43,410,948)	(145,888,080)
Sales of Investments	30,304,088	153,820,093
Net Cash Used by Investing Activities	(41,883,944)	(24,513,353)

See accompanying Notes to Consolidated Financial Statements.

ASBURY COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Refundable Entrance Fees and Refundable Deposits	\$ 8,865,600	\$ 7,625,577
Refunds from Refundable Entrance Fees and Refundable Deposits	(28,901,678)	(17,499,572)
Restricted Contributions	4,836,337	5,487,473
Proceeds from Issuance of Debt	29,704,476	8,029,603
Payments on Long-Term Debt	(13,405,003)	(19,987,864)
Redemption of Long-Term Debt	(29,431,737)	-
Refund of Cash Premium	(204,050)	-
Payments for Deferred Financing Costs	(736,458)	(2,100)
Payments on Finance Leases	(249,746)	(337,169)
Payments on Obligations under Charitable Gift Annuities	(754,071)	(758,946)
Net Cash Used by Financing Activities	(30,276,330)	(17,442,998)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	 3,668,450	 (7,228,287)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	85,750,900	92,979,187
 CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	 \$ 89,419,350	 \$ 85,750,900
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 12,945,209	\$ 16,988,410
 SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Right-of-Use Asset Received in Exchange for Operating Leases	\$ 128,356	\$ 533,662
Right-of-Use Asset Received in Exchange for Finance Leases	\$ 111,792	\$ 263,243

See accompanying Notes to Consolidated Financial Statements.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 ORGANIZATION

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

Asbury Atlantic, Inc. (Asbury Atlantic) – is a nonprofit, nonstock corporation organized under the laws of the state of Maryland. Asbury Atlantic has operating entities comprised of Asbury Methodist Village (AMV), Asbury Solomons (AS), Bethany Village (BV), and Springhill (SH), and effective January 1, 2025, Asbury Chandler Estate, LLC (CE).

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

HCBS – is a nonprofit, nonstock corporation organized under the laws of the state of Maryland. HCBS was organized in 2011 to provide in-home services. On March 20, 2015, HCBS purchased the assets of a Medicare certified home health provider and began providing home health services insured by Medicare, Medicaid, and commercial insurance. During 2024, the certificate of need of the Medicare certified home health provider was sold. See Other Intangible Assets in Note 2.

Asbury Place – On August 1, 2016, Asbury, Inc. (Asbury Place) and Affiliate (Forest Ridge Manor), a tax-exempt, Tennessee nonstock corporation, became an affiliate of the Company, by ACOMM serving as the supporting organization for Asbury Place. Asbury Place has two CCRCs located in Maryville and Kingsport and a 38-unit affordable housing facility, Forest Ridge Manor (FRM) located in Kingsport.

On June 9, 2023, Asbury Place (seller), ACOMM (sponsor), and TAG (manager) entered into an Asset Purchase Agreement to sell substantially all the assets of Asbury Place to McFarlin Artisan, LLC (McFarlin), of which ACOMM is a 38% owner. Upon closing on January 1, 2024, McFarlin purchased, acquired, and assumed all of Asbury Place's respective right, title and interest in, to and under the CCRC assets, free of all liens and liabilities, other than permitted liens and any assumed liabilities, including entrance fee liabilities, as stated in the agreement. FRM was not considered as part of this sale and was retained at Asbury Place. Effective June 11, 2025, sponsorship of FRM was transferred from Asbury Place to ACOMM.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 ORGANIZATION (CONTINUED)

Asbury Place (Continued) – For the years ended December 31, 2025 and 2024, Asbury Place recognized a gain (loss) on discontinued operations of (\$5,179) and \$31,460,884, respectively, related to the sale, which is included with gain (loss) on discontinued operations on the consolidated statements of operations and changes in net deficit.

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

TAG – was organized in 2006 as a for-profit Delaware corporation and provides management and technological support services to both affiliated and nonaffiliated continuing-care retirement communities. In addition, TAG provides comprehensive information technology services and support to all affiliated entities of ACOMM. TAG is a wholly owned subsidiary of ACOMM. On July 1, 2008, TAG formed The Asbury Group Integrated Technologies, LLC (TAG IT) as a Delaware limited liability company. Effective April 15, 2022, the name of TAG IT was changed from The Asbury Group Integrated Technologies, LLC to Thrive Well Tech, LLC. During 2021, ACOMM formed 1569 Teels Road, LLC, which was owned by TAG until January 1, 2025. 1569 Teels Road, LLC owns and operates Asbury Chandler Estate, LLC (CE), an independent and personal care facility located in Pen Argyl, Pennsylvania.

In December 2024, ACOMM formed Asbury Chandler Estate, LLC, a Pennsylvania limited liability company. Asbury Atlantic is the sole member of Asbury Chandler Estate, LLC. The reason for the formation of the LLC, and the membership interest transfer described below, was to convert the Chandler Estate operations from a for profit to a nonprofit.

On December 1, 2024, and effective January 1, 2025, TAG entered into a membership interest transfer agreement with Asbury Chandler Estate, LLC. Under this agreement, TAG transferred 100% of its membership interests of 1569 Teels Road, LLC, a Pennsylvania limited liability company and owner/operator of a senior living facility known as Asbury Chandler Estate, to Asbury Chandler Estate, LLC. Pursuant to this agreement, ownership of the senior living facility known as Chandler Estate was also transferred to Asbury Chandler Estate, LLC.

On January 1, 2025, Asbury Chandler Estate, LLC entered into an operating agreement with Asbury Atlantic, whereas Asbury Chandler Estate, LLC became the sole member of 1569 Teels Road, LLC. Pursuant to this agreement, Asbury Atlantic will govern the operations of CE.

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

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 ORGANIZATION (CONTINUED)

Albright Care Services – On January 1, 2020, Albright Care Services (Albright) and Affiliate (Warrior Run) became an affiliate by ACOMM serving as the supporting organization for Albright Care Services. Albright serves as the supporting organization of Warrior Run Manor, Inc. (Warrior Run). Warrior Run is a controlled entity of Albright.

Albright 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 sale on January 1, 2025), Cumberland County, and Franklin County, Pennsylvania. Warrior Run is a nonprofit corporation that operates a 75-unit rental housing project for the elderly located in Watsontown, Pennsylvania. Warrior Run is operated under Section 207 pursuant to Section 223(f) of the National Housing Act and regulated by the U.S. Department of Housing and Urban Development (HUD) with respect to rental charges and operating methods. See Note 19 Subsequent Events for information pertaining to LIFE, Pharmacy, and Warrior Run.

Asbury Living, Inc. – During 2023, ACOMM formed Asbury Living, Inc. (Asbury Living), a Pennsylvania nonprofit corporation. Asbury Living owns and operates two senior living communities, Grace Park (GP) located in Stroudsburg, Pennsylvania and Ivy Gables (IG) located in Wilmington Delaware, that provides housing, healthcare, and other related services to elderly residents through the operation of personal care facilities and residential living units. ACOMM is the sole member of Asbury Living.

Sale of Riverwoods Skilled Nursing Facility

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 \$398,920 and \$2,860,933, respectively, for the years ended December 31, 2025 and 2024, which is included with gain (loss) on discontinued operations on the consolidated statements of operations and changes in net deficit. 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 agreements. See Note 10.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 ORGANIZATION (CONTINUED)

Transfer of Albright LIFE Chester County

On May 6, 2024, Albright entered into an 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 is included with gain (loss) 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 accompanying consolidated financial statements include the accounts of ACOMM and its affiliates, Asbury Atlantic, HCBS, Asbury Place, Forest Ridge Manor, AFOUND, TAG, BDC, Albright, Warrior Run, and Asbury Living (collectively referred to as the Company). All significant intercompany transactions have been eliminated in consolidation.

Use of Estimates

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

Cash, Cash Equivalents, and Restricted Cash

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

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents, and Restricted Cash (Continued)

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that equal the same such amounts shown in the consolidated statements of cash flows at December 31:

	<u>2025</u>	<u>2024</u>
Cash	\$ 30,015,212	\$ 25,723,061
Restricted Cash Included in Current Investments		
Held under Bond Indenture	9,549,047	9,553,877
Restricted Cash Included in Other Receivables and		
Prepaid Expenses for Restricted Mortgage Escrows	34,036	32,886
Restricted Cash Included in Long-Term Investments		
Held under Bond Indenture	18,500,760	20,022,294
Restricted Cash Included in Statutory Reserves	<u>31,320,295</u>	<u>30,418,782</u>
Total Cash, Cash Equivalents, and Restricted		
Cash Shown in the Statements of Cash Flows	<u>\$ 89,419,350</u>	<u>\$ 85,750,900</u>

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 the Medicare and Medicaid reimbursement and other third-party agreements, amounts collected for services to patients under these agreements are computed at contractually agreed-upon rates. Accounts receivable has been adjusted to reflect the difference between charges and the reimbursable amounts under these third-party contracts. Revenues from Medicare and Medicaid programs and other third-party agreements accounted for approximately 29% and 33% of the Company's total resident and client service revenues for the years ended December 31, 2025 and 2024, respectively.

The opening and closing balances in contract accounts receivable were as follows:

	<u>Accounts Receivable, Net</u>
Balance as of January 1, 2024	\$ 10,334,545
Balance as of December 31, 2024	9,713,949
Balance as of December 31, 2025	7,700,431

ASBURY COMMUNITIES, INC.
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)

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 \$2,292,023 and \$2,828,236, 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	\$ 2,828,236	\$ 2,390,483
Provision for Losses	1,207,089	1,558,181
Amounts Written Off	(1,748,537)	(1,197,853)
Recoveries	5,235	77,425
Balance, End of Year	<u>\$ 2,292,023</u>	<u>\$ 2,828,236</u>

Pledges Receivable and Fund Held in Trust

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

The Company has received as contributions various types of split-interest obligations, including perpetual trusts that are included in funds held in trust. It is the policy of the Company to record such assets only when the Company's interest is deemed to be irrevocable by management and where there is sufficient information to quantify a fair and accurate valuation. The Company's beneficial interest is recorded at the discounted present value of the gift. When the proceeds from these assets are received, the amount received is used for purposes designated by the donor, if any.

Under the perpetual trust agreements, the Company has recorded the asset and recognized permanently restricted contribution revenue at the fair market value of their beneficial interest in the trust assets in the amount of \$10,784,153 and \$9,755,224 as of December 31, 2025 and 2024, respectively. Income earned on the trust assets and distributed to the Company is recorded as investment income on the consolidated statements of operations and changes in net deficit, unless otherwise restricted by the donor. Subsequent changes in fair value are recorded as net investment income within net assets with donor restrictions.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 arrangements on the consolidated statements of operations and changes in net deficit under net assets without donor restrictions and net assets with donor restrictions.

Investments and Investment Income

Investments are pooled and held in an investment account with ACOMM, except investments held by AFOUND, FRM, BDC, Warrior Run, Albright, and Asbury Living. The investment pools are comprised of equity securities or equity mutual funds, bonds or bond mutual funds, alternative investments and cash. The equity securities and their related unrealized gains or losses are recorded above income (loss) from operations. The fixed income securities and other types of investments and their related unrealized gains or losses are recorded below income (loss) from operations. The investments are managed by the ACOMM board with guidance from external investment advisors. In addition, investments held under bond indenture with trustees are high-grade income securities.

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

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

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Income (Continued)

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

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

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

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

Crypto Assets

Crypto assets are included with investments and investments restricted by donors on the consolidated balance sheets. The fair value of the Company's crypto assets is based on the exchange quoted price and is a Level 1 input under the fair value hierarchy. Activity from remeasurement of crypto assets to fair value is reflected in the accompanying consolidated statements of operations within net unrealized gain on fixed income securities and other investments line item. Crypto assets sold for cash are presented as cash flows from investing activities in the accompanying consolidated statements of cash flows.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Strategies Employed for Achieving Objectives

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

Derivatives Policy – Debt

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

Investments Restricted by the Board

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

Leases

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

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.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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

Property and Equipment

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

The Company capitalizes all expenditures for property and equipment costing \$5,000 or more and having useful lives greater than two years.

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

The Company reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss was recognized during 2025 or 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 and changes in net deficit. Advertising expense was \$1,087,356 and \$771,209 for the years ended December 31, 2025 and 2024, respectively.

Other Intangible Assets

The Company recorded \$537,500 of goodwill from the purchase of Chandler Estates in October 2021. During 2023, the Company recorded \$1,347,212 of intangible assets from the purchase of the two LIFE Program operations for the customer lists, and \$1,100,710 of intangible assets from the purchase of Grace Park and Ivy Gables for in-place leases at the time of purchase.

Intangible assets are recorded at their estimated fair market value. Those intangible assets subject to amortization are amortized using the straight-line method over the estimated useful lives of the intangible assets from the date of acquisition, which is generally between 18 months to 3 years. Amortization of intangible assets was \$815,974 and \$1,182,878 for the years ended December 31, 2025 and 2024, respectively.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Intangible Assets (Continued)

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.

The Company previously recorded \$1,250,000 of intangible assets from the HCBS purchase of the Certificate of Need for a Medicare-certified home health provider in 2015. During 2024, in connection with the sale of the certificate of need, HCBS wrote off intangible assets of \$1,250,000 which is included with loss on discontinued operations on the consolidated statements of operations and changes in net deficit for the year ended December 31, 2024.

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

Donated Collections

Albright's collections included art and other items of historical significance and were maintained in the Slifer House Museum located on the RW campus. The collections, which were acquired through contributions, were recognized at fair value based upon an appraisal. Gains or losses from deaccessions of these items are reported on the accompanying consolidated statements of changes in net assets in the net assets with donor restrictions.

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.

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.

Continuing-Care Contracts

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

Accrued Compensation and Related Items

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

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Resident and Client Services Revenue

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

Performance obligations are determined based on the nature of the services provided by the Company. Revenue for performance obligations satisfied over time is recognized based on actual charges. The Company believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facility receiving skilled nursing services or residents receiving services in the facility. The Company measures the performance obligation from admission into the facility, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the residents 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.

The Company offers four types of resident entrance-fee options that vary among AMV, AS, BV, SH, NR, and RW: a standard entrance fee (SEF) that amortizes over fifty (50) months, a 50% refundable entrance fee, an 80% refundable entrance fee, and a nonrefundable entrance fee (NREF). Previously, a one hundred percent (100%) refundable entrance fee, a ninety percent (90%) refundable entrance fee, a twenty-five percent (25%) refundable entrance fee, a SEF that amortized over five (5) years, a SEF that amortized over seven (7) years, and a SEF that amortized over nine (9) years were offered.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Client Services Revenue (Continued)

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. Under the prior SEF that amortizes over nine years, 10% of the fee is nonrefundable upon receipt, and 10% per annum of the fee becomes nonrefundable over the nine-year period. After the fifty-month, five-year, seven-year, and nine-year periods, the refund is fully amortized and there is no refundable portion.

Under the NREF, the entrance fee is not refundable as of the resident's designated occupancy date or actual date of occupancy, whichever is earlier. Under the refundable contracts, resident's pay a higher entrance fee in order to guarantee a specific percentage refund of the entrance fee upon termination of the residency agreement. Payment of an entrance fee refund is contingent upon termination of occupancy and a successor resident taking possession of the original residential unit.

Refundable entrance fees are recorded in the accompanying consolidated balance sheets as current liabilities. The nonrefundable entrance fees are classified as deferred revenue and are recognized as revenue on a straight-line basis over each individual resident's expected remaining life, adjusted annually (time-based measurement).

Remaining life expectancies are determined based on current actuarial data specific to CCRC residents. Upon termination of a contract through death or withdrawal after occupancy, any unamortized, nonrefundable, deferred entrance fee is recorded as income.

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

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

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

	Deferred Revenue from Entrance Fees
Balance as of January 1, 2024	\$ 398,962,179
Balance as of December 31, 2024	364,084,294
Balance as of December 31, 2025	363,617,171

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Client Services Revenue (Continued)

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

	2025	2024
Entrance Fees - Refundable	\$ 2,592,704	\$ 5,798,157
Contingent Refundable Entrance Fee Liability	124,300,424	140,675,943
Entrance Fees - Deferred Revenue:		
25% to 100% Refundable Contracts	9,010,639	8,438,731
Standard Entry Fee Option Contracts:		
Fifty-Month Contracts	64,248,871	7,339,598
Five-Year Contracts	161,050,823	198,655,382
Seven-Year Contracts	1,106,909	1,446,468
Nine-Year Contracts	474,099	633,668
Nonrefundable Contracts	832,702	1,096,347
Total Entrance Fees - Deferred Revenue	<u>236,724,043</u>	<u>217,610,194</u>
Total Entrance Fees	<u>\$ 363,617,171</u>	<u>\$ 364,084,294</u>

The Company also records resident services 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.

CE, GP, and IG offer rental agreements in which residents agree to pay an annual rent due in monthly installments. Revenue is recognized over time in accordance with the terms of the rental agreements.

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

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

	2025	2024
Medicaid	\$ 30,839,482	\$ 35,345,526
Medicare	32,354,276	37,254,862
Managed Care	1,396,794	1,643,835
Private Pay	157,425,031	153,238,841
Total Resident Services Revenue	<u>\$ 222,015,583</u>	<u>\$ 227,483,064</u>

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Client Services Revenue (Continued)

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 service revenue based on its service lines, method of reimbursement, and timing of revenue recognition for the years ended December 31, 2025 and 2024 are as follows:

	2025			
	Asbury Methodist Village	Asbury Solomons	Bethany Village	Springhill
Service Lines:				
Skilled Nursing Facility	\$ 30,944,643	\$ 6,357,084	\$ 12,758,427	\$ 10,906,142
Assisted Living	16,605,792	2,484,970	10,226,222	2,449,592
Independent Living	33,797,216	12,104,098	11,940,792	6,811,703
Life Program	-	-	-	-
Pharmacy	-	-	-	-
Retail Sales and Other	206,258	78,696	220,918	251,674
Total	<u>\$ 81,553,909</u>	<u>\$ 21,024,848</u>	<u>\$ 35,146,359</u>	<u>\$ 20,419,111</u>
Method of Reimbursement:				
Fee for Services	\$ 81,347,651	\$ 20,946,152	\$ 34,925,441	\$ 20,167,437
Retail Sales and Other	206,258	78,696	220,918	251,674
Total	<u>\$ 81,553,909</u>	<u>\$ 21,024,848</u>	<u>\$ 35,146,359</u>	<u>\$ 20,419,111</u>
Timing of Revenue and Recognition:				
Health Care Services				
Transferred Over Time	\$ 81,347,651	\$ 20,946,152	\$ 34,925,441	\$ 20,167,437
Sales at Point in Time	206,258	78,696	220,918	251,674
Total	<u>\$ 81,553,909</u>	<u>\$ 21,024,848</u>	<u>\$ 35,146,359</u>	<u>\$ 20,419,111</u>

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Client Services Revenue (Continued)

	2025			
	Albright Care Services	Asbury Chandler Estate, LLC	Asbury Living	2025 Total
Service Lines:				
Skilled Nursing Facility	\$ 9,859,614	\$ -	\$ -	\$ 70,825,910
Assisted Living	5,323,128	2,047,102	9,571,897	48,708,703
Independent Living	5,769,502	1,507,620	412,891	72,343,822
Life Program	23,453,745	-	-	23,453,745
Pharmacy	5,694,176	-	-	5,694,176
Retail Sales and Other	218,476	-	13,205	989,227
Total	<u>\$ 50,318,641</u>	<u>\$ 3,554,722</u>	<u>\$ 9,997,993</u>	<u>\$ 222,015,583</u>
Method of Reimbursement:				
Fee for Services	\$ 50,100,165	\$ 3,554,722	\$ 9,984,788	\$ 221,026,356
Retail Sales and Other	218,476	-	13,205	989,227
Total	<u>\$ 50,318,641</u>	<u>\$ 3,554,722</u>	<u>\$ 9,997,993</u>	<u>\$ 222,015,583</u>
Timing of Revenue and Recognition:				
Health Care Services Transferred Over Time	\$ 50,100,165	\$ 3,554,722	\$ 9,984,788	\$ 221,026,356
Sales at Point in Time	218,476	-	13,205	989,227
Total	<u>\$ 50,318,641</u>	<u>\$ 3,554,722</u>	<u>\$ 9,997,993</u>	<u>\$ 222,015,583</u>
	2024			
	Asbury Methodist Village	Asbury Solomons	Bethany Village	Springhill
Service Lines:				
Skilled Nursing Facility	\$ 32,259,475	\$ 6,220,644	\$ 12,579,599	\$ 10,146,546
Assisted Living	15,247,999	2,418,077	9,931,480	2,211,799
Independent Living	32,204,621	11,533,037	11,595,443	6,299,774
Life Program	-	-	-	-
Pharmacy	-	-	-	-
Home Health and Home Care	-	-	-	-
Retail Sales and Other	219,733	72,784	262,078	240,615
Total	<u>\$ 79,931,828</u>	<u>\$ 20,244,542</u>	<u>\$ 34,368,600</u>	<u>\$ 18,898,734</u>
Method of Reimbursement:				
Fee for Services	\$ 79,712,095	\$ 20,171,758	\$ 34,106,522	\$ 18,658,119
Retail Sales and Other	219,733	72,784	262,078	240,615
Total	<u>\$ 79,931,828</u>	<u>\$ 20,244,542</u>	<u>\$ 34,368,600</u>	<u>\$ 18,898,734</u>
Timing of Revenue and Recognition:				
Health Care Services Transferred Over Time	\$ 79,712,095	\$ 20,171,758	\$ 34,106,522	\$ 18,658,119
Sales at Point in Time	219,733	72,784	262,078	240,615
Total	<u>\$ 79,931,828</u>	<u>\$ 20,244,542</u>	<u>\$ 34,368,600</u>	<u>\$ 18,898,734</u>

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Client Services Revenue (Continued)

	2024				2024 Total
	Albright Care Services	Asbury Communities HCBS, Inc.	Asbury Chandler Estate, LLC	Asbury Living	
Service Lines:					
Skilled Nursing Facility	\$ 20,761,576	\$ -	\$ -	\$ -	\$ 81,967,840
Assisted Living	4,721,865	-	1,906,375	8,790,829	45,228,424
Independent Living	5,561,142	-	1,451,092	396,030	69,041,139
Life Program	24,938,098	-	-	-	24,938,098
Pharmacy	5,172,092	-	-	-	5,172,092
Home Health and Home Care	-	155,819	-	-	155,819
Retail Sales and Other	171,546	-	-	12,896	979,652
Total	<u>\$ 61,326,319</u>	<u>\$ 155,819</u>	<u>\$ 3,357,467</u>	<u>\$ 9,199,755</u>	<u>\$ 227,483,064</u>
Method of Reimbursement:					
Fee for Services	\$ 61,154,773	\$ 155,819	\$ 3,357,467	\$ 9,186,859	\$ 226,503,412
Retail Sales and Other	171,546	-	-	12,896	979,652
Total	<u>\$ 61,326,319</u>	<u>\$ 155,819</u>	<u>\$ 3,357,467</u>	<u>\$ 9,199,755</u>	<u>\$ 227,483,064</u>
Timing of Revenue and Recognition:					
Health Care Services					
Transferred Over Time	\$ 61,154,773	\$ 155,819	\$ 3,357,467	\$ 9,186,859	\$ 226,503,412
Sales at Point in Time	171,546	-	-	12,896	979,652
Total	<u>\$ 61,326,319</u>	<u>\$ 155,819</u>	<u>\$ 3,357,467</u>	<u>\$ 9,199,755</u>	<u>\$ 227,483,064</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

It is the Company's policy to track those expenses for residents in its facilities who cannot pay for all or a portion of their care and defines these expenses as benevolent care. Because the Company does not pursue collection of amounts determined to qualify as benevolent care, they are not reflected as revenue in the accompanying consolidated financial statements. Benevolent care provided to residents for the years ended December 31, 2025 and 2024 was \$2,871,767 and \$3,836,459, respectively.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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				
	Asbury Methodist Village	Asbury Solomons	Bethany Village	Springhill	Normandie Ridge
	Total Skilled Nursing Center Occupancy	89%	76%	95%	96%
Medicaid	48%	45%	27%	49%	47%
Medicare	27%	17%	8%	7%	31%
Private Pay and Other	25%	38%	65%	44%	22%

	2024					
	Asbury Methodist Village	Asbury Solomons	Bethany Village	Springhill	Normandie Ridge	Riverwoods
	Total Skilled Nursing Center Occupancy	95%	74%	96%	92%	96%
Medicaid	46%	37%	26%	46%	45%	63%
Medicare	29%	15%	8%	3%	25%	20%
Private Pay and Other	25%	48%	66%	51%	30%	17%

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 funds through the Federal Emergency Management Agency (FEMA). Total grant funds approved and received by the Company was \$5,129,083 and \$7,406,105 for the years ended December 31, 2025 and 2024, 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 \$5,064,320 and \$8,421,182, respectively, as other operating revenue in the consolidated statements of operations and changes in net deficit. At December 31, 2025 and 2024, the Company recognized \$236,998 and \$698,690, 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.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of Financial and Nonfinancial Assets

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

Net Assets and Endowment Funds

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

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

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

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

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets and Endowment Funds (Continued)

Net assets with donor restrictions that are perpetual in nature are amounts held by AFOUND and BV for the benefit of the Company. Albright also holds assets with donor restrictions that are perpetual in nature. The net assets held by AFOUND, BV, and Albright are held in investment portfolios with the objectives of providing long-term growth of capital and maximizing the return on assets over the long-term while diversifying investments within asset classes to reduce the impact of losses in single investments. The income from these net assets 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 and changes in net deficit include income from operations, which is the Company's performance indicator. Changes in net assets (deficit) without donor restrictions, which are excluded from income from operations, consistent with industry practice, include unrealized gains (loss) on fixed income securities and other investments, change in value of deferred-giving arrangements, and net assets released from restriction used for purchase of capital items.

Tax Status

ACOMM and affiliates, except TAG, are exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code (IRC); accordingly, no provision for income taxes is required as there are no unrelated trades or businesses. TAG and related entities are organized as for-profit entities and are subject to federal and state income taxes. 2025 and 2024 income taxes for TAG and related entities are recorded as deferred tax liabilities and included in other long-term liabilities in the accompanying consolidated balance sheets to reflect temporary book and tax differences.

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

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

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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 has evaluated events and transactions for potential recognition or disclosure through April 16, 2026, the date the consolidated financial statements were issued. See Note 19 Subsequent Events.

NOTE 3 LIQUIDITY AND AVAILABILITY

As of December 31, 2025 and 2024, the Company has working capital of \$88,407,057 and \$39,712,868 respectively.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 30,015,212	\$ 25,723,061
Investments	95,369,796	67,575,918
Accounts Receivable, Net	7,700,431	9,713,949
Pledges Receivable, Net	476,417	974,654
Other Receivables	12,799,607	15,634,907
Investments Held Under Bond Indenture	10,277,850	10,251,625
Total Financial Assets	<u>\$ 156,639,313</u>	<u>\$ 129,874,114</u>

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

NOTE 4 REGULATORY ENVIRONMENT

Medicare and Medicaid

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

Skilled Nursing Facility Services

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.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Medicare and Medicaid (Continued)

Skilled Nursing Facility Services (Continued)

Medicare Reimbursement (Continued)

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

Maryland Medicaid Reimbursement

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

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

Pennsylvania Medicaid Reimbursement

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

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 consolidated 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.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Medicare and Medicaid (Continued)

Medical Home Health Services

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

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.

Other

The Company has implemented a system wide voluntary compliance program. 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.

State of Maryland Reserve Requirement

The state of Maryland requires AMV and AS to set aside reserves equal to 25% of its net operating expenses (as defined) for the most recent fiscal year.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

State of Maryland Reserve Requirement (Continued)

As of December 31, 2025 and 2024, AMV and AS are in compliance with the reserve requirement. The total amount reserved for AMV is as follows as of December 31:

	2025	2024
Maryland Department of Aging Reserves:		
Operating Expenses	\$ 98,264,582	\$ 96,947,950
Less: Depreciation and Amortization Expense	(17,238,386)	(17,611,664)
Interest Expense	(4,862,440)	(5,169,317)
Net Operating Expenses	\$ 76,163,756	\$ 74,166,969
Total Operating Reserve (25% of Net Operating Expenses)	\$ 19,040,939	\$ 18,541,742
Required Reserves for the Year Ended December 31 (100% of Total Operating Reserve)	\$ 19,040,939	\$ 18,541,742
Cash and Marketable Securities Available for Operating Reserve	\$ 19,040,939	\$ 18,541,742

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

	2025	2024
Maryland Department of Aging Reserves:		
Operating Expenses	\$ 22,877,123	\$ 22,291,998
Less: Depreciation and Amortization Expense	(3,689,774)	(3,484,698)
Interest Expense	(783,697)	(863,816)
Net Operating Expenses	\$ 18,403,652	\$ 17,943,484
Total Operating Reserve (25% of Net Operating Expenses)	\$ 4,600,913	\$ 4,485,871
Required Reserves for the Year Ended December 31 (100% of Total Operating Reserve)	\$ 4,600,913	\$ 4,485,871
Cash and Marketable Securities Available for Operating Reserve	\$ 4,600,913	\$ 4,485,871

Pennsylvania Department of Insurance Reserve Requirements

On a calendar year basis, BV, SH, NR, and RW are required by the Continuing Care Provider Registrations and Disclosure Act of 1984 to maintain a working capital reserve equivalent to the greater of the total of debt service payments due during the next 12 months on account of any loans or 10% of the projected annual operating expenses, exclusive of depreciation and bad debt, computed only on the proportional share of financing or operating expenses that are applicable to residents of BV, SH, NR, and RW under continuing care agreements.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Pennsylvania Department of Insurance Reserve Requirements (Continued)

The statutory minimum liquid reserve requirement for BV as of December 31, 2025 and 2024 is \$4,780,926 and \$4,515,860, respectively, and is based on the projected annual debt service requirements for BV. The statutory minimum liquid reserve requirement as of December 31 for BV is as follows:

	<u>2025</u>	<u>2024</u>
Projected Annual Interest Expense	\$ 3,517,670	\$ 3,693,393
Principal Payments Due on Long-Term Debt	<u>3,364,331</u>	<u>2,803,313</u>
Liquid Reserve Requirement	6,882,001	6,496,706
Projected Annual Operating Expenses	36,266,732	35,572,572
Minimum Rate	<u>10%</u>	<u>10%</u>
Liquid Reserve Requirement	3,626,673	3,557,257
Maximum Liquid Reserve Requirement	6,882,001	6,496,706
Approximate Percentage of Continuing Care Clients	<u>69%</u>	<u>70%</u>
Statutory Minimum Liquid Reserve	<u>\$ 4,780,926</u>	<u>\$ 4,515,860</u>

The statutory minimum liquid reserve requirement for SH as of December 31, 2025 and 2024 is \$1,309,105 and \$1,250,157, respectively. The 2025 reserve is based on the projected annual debt service requirements for SH. The 2024 reserve is based on 10% of the projected annual operating expenses exclusive of depreciation and bad debt. The statutory minimum liquid reserve requirement as of December 31 for SH is as follows:

	<u>2025</u>	<u>2024</u>
Projected Annual Interest Expense	\$ 1,156,204	\$ 1,071,752
Principal Payments Due on Long-Term Debt	<u>1,019,834</u>	<u>814,787</u>
Liquid Reserve Requirement	2,176,038	1,886,539
Projected Annual Operating Expenses	21,326,032	20,725,422
Minimum Rate	<u>10%</u>	<u>10%</u>
Liquid Reserve Requirement	2,132,603	2,072,542
Maximum Liquid Reserve Requirement	2,176,038	2,072,542
Approximate Percentage of Continuing Care Clients	<u>60%</u>	<u>60%</u>
Statutory Minimum Liquid Reserve	<u>\$ 1,309,105</u>	<u>\$ 1,250,157</u>

The statutory minimum liquid reserve requirement for NR 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 bad debt. The statutory minimum liquid reserve requirement as of December 31 for NR is as follows:

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Pennsylvania Department of Insurance Reserve Requirements (Continued)

	<u>2025</u>	<u>2024</u>
Projected Annual Interest Expense	\$ 180,605	\$ 244,353
Principal Payments Due on Long-Term Debt	<u>235,722</u>	<u>445,113</u>
Liquid Reserve Requirement	416,327	689,466
Projected Annual Operating Expenses	17,166,254	17,051,872
Minimum Rate	<u>10%</u>	<u>10%</u>
Liquid Reserve Requirement	1,716,625	1,705,187
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>

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

	<u>2025</u>	<u>2024</u>
Projected Annual Interest Expense	\$ 173,870	\$ 236,146
Principal Payments Due on Long-Term Debt	<u>226,931</u>	<u>471,263</u>
Liquid Reserve Requirement	400,801	707,409
Projected Annual Operating Expenses	6,463,035	5,901,005
Minimum Rate	<u>10%</u>	<u>10%</u>
Liquid Reserve Requirement	646,304	590,101
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.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 CONCENTRATION OF CREDIT RISK

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

	<u>2025</u>	<u>2024</u>
Private Pay	42 %	40 %
Medicaid	25	24
Medicare	13	22
Other (Primarily Managed Care and Insurance)	20	14
Total	<u>100 %</u>	<u>100 %</u>

NOTE 6 INVESTMENTS

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

	<u>2025</u>	<u>2024</u>
Investments:		
Cash and Short-Term Investments	\$ 1,713,443	\$ 1,491,307
Fixed-Income Securities and Mutual Funds	21,148,673	19,852,613
Equity Securities and Equity Mutual Funds	71,126,996	45,565,830
Crypto Assets	1,344,766	-
Alternative Investments	35,918	666,168
Total Investments	<u>\$ 95,369,796</u>	<u>\$ 67,575,918</u>
Investments Restricted by Donors:		
Cash and Short-Term Investments	\$ 213,775	\$ 1,493,171
Fixed-Income Securities and Mutual Funds	23,241,180	20,799,259
Equity Securities and Equity Mutual Funds	46,259,607	40,361,147
Crypto Assets	1,423,662	-
Total Investments Restricted by Donors	<u>\$ 71,138,224</u>	<u>\$ 62,653,577</u>
Statutory Reserves:		
Cash and Short-Term Investments	<u>\$ 31,320,295</u>	<u>\$ 30,418,782</u>
Investments Held under Bond Indenture:		
Cash and Short-Term Investments	<u>\$ 28,049,807</u>	<u>\$ 29,576,171</u>
Investments Restricted by Board:		
Cash and Short-Term Investments	\$ 107,413	\$ 69,159
Fixed-Income Securities and Mutual Funds	1,164,425	1,572,578
Equity Securities and Equity Mutual Funds	4,628,427	3,664,159
Alternative Investments	1,536	14,057
Total Investments Restricted by Board	<u>\$ 5,901,801</u>	<u>\$ 5,319,953</u>

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 6 INVESTMENTS (CONTINUED)

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

	<u>2025</u>	<u>2024</u>
Debt-Service Fund	\$ 9,656,853	\$ 10,620,717
Debt-Service Reserve Fund	16,748,634	16,855,852
Capital Improvement Fund	1,644,320	2,099,602
Total	<u>28,049,807</u>	<u>29,576,171</u>
Less: Current Portion	<u>(9,549,047)</u>	<u>(9,553,877)</u>
Long-Term Portion of Bond Indenture	<u>\$ 18,500,760</u>	<u>\$ 20,022,294</u>

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

	<u>2025</u>	<u>2024</u>
Included within the Company's Performance Indicator:		
Interest and Dividend Income, Net	\$ 6,224,437	\$ 6,077,065
Net Realized Gain (Loss) on Investments	(473,759)	13,714,761
Net Unrealized Gain (Loss) on Equity Security Investments	20,164,408	(3,159,284)
Net Unrealized Gain (Loss) on Change in Market Value of Derivative Instruments	<u>(1,453,317)</u>	<u>471,870</u>
Total	<u>24,461,769</u>	<u>17,104,412</u>
Included in Other Changes in Net Deficit:		
Net Unrealized Gain on Fixed Income Securities and Other Investments	1,504,241	4,683,918
Included in Net Assets With Donor Restrictions:		
Net Investment Income	<u>845,753</u>	<u>700,994</u>
Total	<u>\$ 26,811,763</u>	<u>\$ 22,489,324</u>

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.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 6 INVESTMENTS (CONTINUED)

Beginning in 2025, the Company purchases crypto assets for investment purposes. The following table sets forth the Company's crypto assets which are included with investments and investment restricted by donors on the consolidated balance sheets:

	Units	2025	
		Cost Basis	Fair Value
Crypto Assets:			
Bitcoin	31.63	<u>\$ 3,000,000</u>	<u>\$ 2,768,428</u>

The following table represents a reconciliation of the fair values of the Company's crypto assets for the year ended December 31, 2025:

Crypto Assets:	
Balance - January 1, 2025	\$ -
Additions	3,000,000
Change in Fair Value Losses	(231,572)
Balance - December 31, 2025	<u>\$ 2,768,428</u>

NOTE 7 PROPERTY AND EQUIPMENT

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

	Useful Life	2025	2024
Land and Improvements	10 to 40 Years	\$ 62,609,853	\$ 61,402,247
Buildings and Improvements	10 to 40 Years	703,977,538	701,962,226
Furniture and Equipment	2 to 15 Years	89,172,413	88,139,581
Construction in Progress		3,611,603	2,335,203
Total		<u>859,371,407</u>	<u>853,839,257</u>
Less: Accumulated Depreciation		(513,270,388)	(499,062,499)
Property and Equipment, Net		<u>\$ 346,101,019</u>	<u>\$ 354,776,758</u>

As of December 31, 2025, construction in progress included renovations at the BV campus which are expected to be completed in 2026.

Depreciation expense was \$35,715,338 and \$36,807,832 for the years ended December 31, 2025 and 2024, respectively.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 8 PLEDGES RECEIVABLE

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

	2025	2024
Amounts Expected to be Collected in:		
Less than One Year	\$ 476,417	\$ 974,654
One Year to Five Years	427,538	574,466
Subtotal	903,955	1,549,120
Estate and Legacy Notes	14,225,679	11,019,336
Total	\$ 15,129,634	\$ 12,568,456

Pledges receivable were recorded net of reserve for uncollectible pledges of \$23,722 and \$22,430 as of December 31, 2025 and 2024, respectively.

AFOUND, BV, and Albright are the beneficiaries of various charitable gift annuities created by donors, the assets for which are managed by AFOUND and Albright. AFOUND, BV, and Albright have legally enforceable rights on claims to such assets after the donor's or current beneficiary's death. The present value of these funds held in trust by others, based on the donor's or current beneficiary's life expectancy, is recorded as a net asset with donor restrictions.

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

Amounts donated in excess of the liability are recorded as donations with donor restrictions in the consolidated statements of operations and changes in net deficit. The present value of the liability is determined by discounting estimated future payments at the adjusted federal rate. This rate is adjusted annually and was 3.73% and 4.37% at December 31, 2025 and 2024, respectively. Changes in the present value of the liability are shown as changes in values of charitable gift annuities in the consolidated statements of operations and changes in net deficit.

AFOUND is required by Maryland state law to maintain segregated assets for all annuities issued in an amount at least equal to the sum of its outstanding charitable gift annuities liability discounted to present value. At December 31, 2025 and 2024, AFOUND had segregated \$25,631,032 and \$22,508,747 as investments restricted by donors in the accompanying consolidated balance sheets as of December 31, 2025 and 2024, respectively, and, therefore, has met its minimum reserve requirement at December 31, 2025 and 2024. BV and Albright are not subject to any minimum reserve requirements under the Commonwealth of Pennsylvania.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 DEBT

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

	Interest Rate	Dates	2025	2024
Asbury Living Series 2025A Bonds	Variable Rate	2025-2050	\$ 20,440,544	\$ -
Albright Care Services 2025B Bonds	Variable Rate	2025-2040	9,111,633	-
Asbury Living Series 2023 Bonds	Fixed Rate Taxable Acquisition Bonds	2025	-	20,405,000
Asbury Chandler Estate, LLC Loan	Variable Rates	2022 - 2041	6,175,632	6,453,646
Series 2022A PA Bonds	Variable Rate Revenue Bonds	2025 - 2037	16,416,016	17,539,084
Series 2022 MD Bonds	Fixed Rate Revenue Bonds	2037 - 2042	40,000,000	40,000,000
Series 2021A PA Bonds	Fixed Rate Revenue Bonds	2034 - 2041	27,235,000	27,235,000
Series 2021B PA Bonds	Variable Rate Revenue Bonds	2022 - 2034	16,190,000	17,225,000
Series 2019B MD Bonds	Variable Rate Revenue Bonds	2019 - 2027	3,456,000	3,639,000
Series 2019 PA Bonds	Fixed Rate Revenue Bonds	2021 - 2045	49,115,000	51,145,000
Series 2018A MD Bonds	Fixed Rate Revenue Bonds	2023 - 2036	68,505,000	73,390,000
Series 2018B MD Bonds	Fixed Rate Revenue Bonds	2022 - 2027	4,350,000	7,075,000
Albright Series 2018 Master Note	Variable Rates	2018 - 2035	-	5,309,994
Albright Series 2014 Master Note	Variable Rates	2014 - 2040	-	4,438,102
Total			<u>260,994,825</u>	<u>273,854,826</u>
Unamortized Bond Premium/Discount, Net			6,978,091	7,758,644
Unamortized Bond Financing Costs, Net			(4,249,251)	(4,385,155)
Current Portion Bonds Payable			(13,786,429)	(32,504,857)
Total Debt Payable			<u>249,937,236</u>	<u>244,723,458</u>
Forest Ridge Manor HUD Advance			3,293,600	3,293,600
BDC HUD-Insured Mortgage Payable			355,006	525,892
Warrior Run HUD-Insured Mortgage Payable			2,936,636	3,018,811
Note Payable			125,316	144,519
Total			<u>6,710,558</u>	<u>6,982,822</u>
Current Portion Loans Payable			(260,528)	(273,318)
Total Loans Payable			<u>6,450,030</u>	<u>6,709,504</u>
Total Long-Term Debt			<u>\$ 256,387,266</u>	<u>\$ 251,432,962</u>

Asbury Living and Albright Care Services Series 2025 Bonds

In October 2025, Asbury Living and Albright entered into a loan agreement with Union County Hospital Authority (the Authority) pursuant to which the Authority issued the Asbury Living Project Series 2025A Revenue Bonds (Series 2025A Bonds) in the aggregate principal amount of \$20,517,789, and the Albright Care Services Project Series 2025B Revenue Bonds (Series 2025B Bonds) in the aggregate principal amount of \$9,186,687. With the issuance of these bonds, Asbury Living and Albright Care Services comprise the Asbury Living/Albright Obligated Group. Albright Pharmacy and Albright LIFE are not included in the collateral package of the Obligated Group. The Series 2025A and Series 2025B Bonds bear interest at an annual rate equal to adjusted SOFR (secured overnight financing rate) plus a spread of 0.92%. The Asbury Living/Albright Obligated Group has hedged its interest rate exposure associated with the 2025A and 2025B Bonds as described in Note 11 below.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 DEBT (CONTINUED)

Asbury Living and Albright Care Services Series 2025 Bonds (Continued)

The proceeds of the Series 2025A Bonds were used to fund an irrevocable escrow fund to advance refund the outstanding Asbury Living Series 2023 Bonds, and to pay certain expenses incurred in connection with the issuance of the Series 2025A Bonds.

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.

Asbury Living Series 2023 Bonds

In December 2023, Asbury Living entered into a loan agreement with 1170 West Main Street, LLC (the Issuer) pursuant to which the Issuer issued the Taxable Acquisition Bonds, Series 2023 (Series 2023 Bonds) in the aggregate principal amount of \$20,405,000. The Series 2023 Bonds bore interest at an annual fixed rate of 8.50% and matured in 2025.

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

During the year ended December 31, 2025, the proceeds from the Series 2025A bonds were placed into an irrevocable escrow fund to advance refund the Series 2023 Bonds. The funds remained in the escrow fund to satisfy the outstanding debt service requirements for the Series 2023 Bonds. The trustee of the escrow fund paid the scheduled debt service requirements of the Series 2023 Bonds on each scheduled payment date, including payments made subsequent to year-end through the January 5, 2026 redemption date.

Asbury Chandler Estate, LLC Loan

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

Series 2022A Pennsylvania (PA) Bonds

In July 2022, the Non-Maryland Obligated Group (PA Obligated Group) entered into a loan agreement with Cumberland County Municipal Authority (the Authority) pursuant to which the Authority issued the (PA Obligated Group), Series 2022A Revenue Bonds, (the Series 2022A PA Bonds) in the aggregate principal amount of \$18,000,000. The Series 2022A PA Bonds bear interest at an annual rate equal to adjusted SOFR (secured overnight financing rate) plus a spread of 1.343%. The PA Obligated Group has hedged its interest rate exposure associated with the 2022A PA Bonds as described in Note 11 below. As of December 31, 2024, the full \$18,000,000 has been drawn down on the Series 2022A Bonds.

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

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 DEBT (CONTINUED)

Series 2022 Maryland (MD) Bonds

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

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

Series 2021 Pennsylvania (PA) Bonds

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

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

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

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

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

The 2021B PA Bonds were directly purchased by an affiliate of the bank. The 2021B PA Bonds bear interest at an annual rate equal to adjusted SOFR (secured overnight financing rate) plus a spread of 1.41%. The PA Obligated Group has hedged its interest rate exposure associated with the 2021B PA Bonds as described in Note 11 below.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 DEBT (CONTINUED)

Series 2019 Maryland (MD) Bonds

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

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

Series 2019 Pennsylvania (PA) Bonds

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

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

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

Series 2018 Maryland (MD) Bonds

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

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

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 DEBT (CONTINUED)

Albright Series A 2018 Master Note

During the year ended December 31, 2018, Albright obtained a Series A 2018 tax exempt loan in the amount of \$14,404,000 to provide for the current refunding of the Series A 2013 and Series A 1997 debt. The note is payable over a term of 17 years with interest at a variable rate based on 30-day SOFR plus a spread of 1.39%. Albright entered into an interest rate swap agreement which fixed the interest rates at 4.235% (Note 11).

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.

Albright Series B 2018 Master Note

During the year ended December 31, 2018, Albright obtained a Series B 2018 taxable term loan in the amount of \$1,503,000. The note is payable over a term of 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.

Albright Series A 2014 Master Note

During the year ended December 31, 2014, Albright obtained a Series A 2014 Master Note with the maximum borrowing amount of \$10,000,000 to provide financing to support the approved capital projects of Albright. The note is payable over a term of 25 years with interest at a variable rate based on 30-day SOFR plus a spread of 2.70%. Albright entered into an interest rate swap agreement which fixed the interest rate at 4.15% (Note 11).

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.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 DEBT (CONTINUED)

Deferred Financing Costs

Deferred financing costs represent expenses (e.g., underwriting, legal, consulting, and other costs) incurred in connection with issuance of debt and are deferred and amortized over the life of the related indebtedness on a straight-line basis, which approximates the effective interest method. The amortization expense on deferred financing costs is included in interest expense and totaled \$670,412 and \$801,652 for the years ended December 31, 2025 and 2024, respectively.

Bond Premium and Discount

Bond premiums and discounts are comprised of the difference between the price at which a bond was sold and its fair value. Bond premiums and discounts are amortized on a straight-line basis into interest expense over the life of the bonds. The amortization expense on bond premiums and discounts included a reduction in interest expense of \$780,551 for both the years ended December 31, 2025 and 2024.

Liens and Covenants

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

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

Under the Pennsylvania Master Loan Agreements, the lenders have a first lien and claim on all receipts of the Pennsylvania Obligated Group, except the restricted donations and contributions. The terms of the indenture agreements restrict the Pennsylvania Obligated Group's ability to create additional indebtedness; restrict its use of SH and BV facilities; and require the Pennsylvania Obligated Group to maintain stipulated insurance coverage. Additionally, the Pennsylvania Obligated Group covenants require that it will fix, charge, and collect in each fiscal year amounts sufficient to meet a defined annual debt-service coverage ratio for the obligated group and will maintain a minimum days of cash-on-hand ratio. In addition, ACOMM has agreed to contribute cash to the Pennsylvania Obligated Group under certain circumstances and, if necessary, for the Pennsylvania Obligated Group to meet its debt-service coverage ratio and maintain its minimum days of cash-on-hand ratio. ACOMM is contractually required to contribute cash to the Pennsylvania Obligated Group up to an aggregate amount of \$3,000,000.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 DEBT (CONTINUED)

Liens and Covenants (Continued)

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

Collateral for the Asbury Living and Albright Care Services Series 2025 Bonds includes a lien on and security interest in the Asbury Living/Albright Obligated Group's gross revenues, as defined in the indenture agreements, and all real and personal property owned by the Asbury Living/Albright Obligated Group.

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

The Company is subject to various covenants under the bond agreements. These covenants include various reporting, financial, and operational requirements. As of December 31, 2025, management is not aware of any noncompliance with covenants.

Forest Ridge Manor HUD Advance

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

BDC HUD-Insured Mortgage Payable

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

Warrior Run Manor HUD-Insured Mortgage Payable

WRM has a mortgage note that is HUD-insured pursuant to Section 223(f) that is payable in monthly installments of \$16,041, including interest at an annual rate of 3.70% through June 2048. In addition, monthly deposits for replacement reserves are required. The mortgage note is secured by the apartment project.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 DEBT (CONTINUED)

Note Payable

In October 2017, AMV entered into a management agreement with Sodexo Operations, LLC (Sodexo) that included a contract commitment whereas Sodexo would purchase equipment for the services stated in the management agreement and/or provide renovations in support of the services in an amount not to exceed \$7,000,000. Under the terms, Sodexo would then amortize the contract commitment on a straight-line basis over ten years, commencing with the date the equipment is placed in service or when renovation commences, as applicable. As of January 1, 2025, the management agreement was amended closing further access to the contract commitment and revising the repayment terms. The remaining balance will amortize over a ten year period, commencing January 1, 2025. The outstanding balance of this note payable was \$125,316 and \$144,519 as of December 31, 2025 and 2024, respectively.

Line of Credit

Albright had an unsecured \$2,500,000 revolving demand line of credit with a financial institution that is 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 Albright's participation in the LIFE program. During 2024, the line of credit and letter of credit were terminated.

Debt Maturities

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 14,046,956
2027	16,181,034
2028	12,221,373
2029	12,325,797
2030	13,019,981
Thereafter	199,910,242
Total	<u>\$ 267,705,383</u>

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 10 DERIVATIVE INSTRUMENTS

Certain of the Company's affiliates entered into various swap and forward-rate purchase agreements with certain investment companies, which reduce their exposure to volatility of interest rates on debt. Under these agreements, beginning on the effective date, these affiliates pay a fixed rate of interest, as noted in the table below, while the investment company pays the affiliate based on a floating rate as derived from a tax-exempt bond rate index or a percentage of Secured Overnight Financing Rate (SOFR). The floating rate resets every seven days. The difference between the fixed and floating rates is accrued and recorded in interest expense or interest income in the accompanying consolidated statements of operations and changes in net deficit. The notional amounts decline over time to hedge the interest rate exposure for these affiliates. These agreements are with investment companies that have investment grade credit ratings from Standard & Poor's and Moody's. These agreements have provisions that if the investment company falls below certain investment grade ratings, the investment company is required to either obtain a replacement investment company or post collateral equal to or more than the value of the derivative instrument.

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

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

Asbury Atlantic, on behalf of the MD Obligated Group, entered into swap agreements in connection with the issuance of the Series 2019 bonds. Under these agreements, Asbury Atlantic pays a fixed rate of interest of 2.226% (Series 2019A) and 2.309% (Series 2019B) and receives payments based on a floating rate based upon one-month SOFR. Payments on the Series 2019A agreement began on November 8, 2019 and terminated on November 1, 2023. Payments on the Series 2019B agreement began on November 8, 2019 and will terminate on November 1, 2027.

Albright entered into interest rate swap agreements to hedge variable interest rates on the Series 2014 Master Note and the Series 2018 Master Note, on December 15, 2015, and October 4, 2018, respectively. Both swap agreements were terminated on October 1, 2025. Albright recognized a loss on termination of the swap agreements of \$77,928 which is included with loss on debt refinancing on the consolidated statement of operations for the year ended December 31, 2025.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 10 DERIVATIVES INSTRUMENTS (CONTINUED)

In October 2025, the Asbury Living/Albright Obligated Group entered into a swap agreement in connection with the issuance of the Series 2025A Bonds. Under this agreement, the Asbury Living/Albright Obligated Group pays a fixed rate of interest of 4.041% 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 2025A Bonds. Payments under the swap agreement began on October 1, 2025 and will terminate on October 1, 2040.

In October 2025, the Asbury Living/Albright Obligated Group entered into a swap agreement in connection with the issuance of the Series 2025B Bonds. Under this agreement, the Asbury Living/Albright Obligated Group 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.

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

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

	Asbury Chandler								Total
	MD Series 2019B	Albright Series 2014	Albright Series 2018	PA Series 2021B	PA Series 2022A	Estate, LLC Loan Payable	Asbury Living Series 2025A	Albright Series 2025B	
Notional Amount - December 31, 2025	\$ 3,456,000	\$ -	\$ -	\$ 16,190,000	\$ 14,713,425	\$ 6,175,632	\$ 20,440,544	\$ 9,111,633	\$ -
Trade Date	11/8/2019	12/18/2014	10/4/2018	6/4/2021	7/26/2022	11/15/2021	10/1/2025	10/1/2025	
Effective Date	11/8/2019	12/15/2015	10/4/2018	10/4/2021	7/1/2024	11/15/2021	10/1/2025	10/1/2025	
Termination or Cancellation Date	11/1/2027	10/1/2025	10/1/2025	6/1/2033	7/1/2036	11/15/2036	10/1/2040	7/1/2040	
Fixed Rate	2.309%	4.150%	4.235%	1.080%	3.456%	3.751%	4.041%	3.928%	
Fair Value at December 31, 2023	\$ 187,336	\$ 272,291	\$ 16,751	\$ 1,608,335	\$ 463,876	\$ 864,291	\$ -	\$ -	\$ 3,412,880
Unrealized Gain (Loss)	(32,582)	(83,920)	(11,227)	38,409	433,612	127,578	-	-	471,870
Fair Value at December 31, 2024	154,754	188,371	5,524	1,646,744	897,488	991,869	-	-	3,884,750
Unrealized Gain (Loss)	(89,511)	(110,979)	(4,988)	(568,279)	(386,822)	(239,248)	(32,454)	(21,036)	(1,453,317)
Swap Termination	-	(77,392)	(536)	-	-	-	-	-	(77,928)
Fair Value at December 31, 2025	\$ 65,243	\$ -	\$ -	\$ 1,078,465	\$ 510,666	\$ 752,621	\$ (32,454)	\$ (21,036)	\$ 2,353,505

The Company has included the fair market value of these derivative instruments as an asset of \$2,353,505 and \$3,884,750 as of December 31, 2025 and 2024, respectively, in the accompanying consolidated balance sheets.

Net unrealized gain (loss) on derivative instruments was (\$1,453,317) and \$471,870 in 2025 and 2024, respectively.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were \$54,935,088 and \$55,032,969 as of December 31, 2025 and 2024, respectively. Included in net assets with donor restrictions are investments to be held in perpetuity totaling \$48,193,606 and \$46,896,061 as of December 31, 2025 and 2024, respectively. Investment income earned from the net assets with donor restrictions is available for operations of the supported organizations including funding of benevolent care unless otherwise specified by donor.

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:		
Capital Improvements	881,812	1,732,662
Scholarships	540,540	433,476
Other Specific Purposes	5,319,130	5,970,770
Investments to be Held in Perpetuity:		
Donor Designated	8,975,680	7,716,223
Benevolent Care	39,217,926	39,179,838
	54,935,088	55,032,969

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.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Investment and Spending Policies (Continued)

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

	2025	2024
Endowment Fund - Beginning of Year	\$ 46,896,061	\$ 45,476,595
Contributions	1,122,587	1,309,392
Net Investment Income (Loss)	346,462	333,426
Change in Value of Deferred-Giving Arrangements	(171,504)	(169,958)
Other Changes	-	(53,394)
Endowment Fund - End of Year	<u>\$ 48,193,606</u>	<u>\$ 46,896,061</u>

NOTE 12 RETIREMENT PLAN

ACOMM and affiliates, except for FRM and BDC, sponsor a defined-contribution plan (the Plan) under Internal Revenue Code (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 IRC. The employer match is 100% of employee contributions up to 3% and 50% on the next 2% of contributions for each eligible employee. The employer's contribution expense for the years ended December 31, 2025 and 2024 was \$2,758,324 and \$3,013,058, respectively.

NOTE 13 COMMITMENTS AND CONTINGENCIES

Caring Communities, a Reciprocal Risk Retention Group

The Company participates in an insurance risk retention group, Caring Communities, a reciprocal Risk Retention Group (CCrRRG) licensed by the District of Columbia for purposes of obtaining the following insurance coverage: (1) primary general and professional liability; (2) excess general and professional liability; and (3) excess auto liability. The primary general and professional liability coverage has a limit of \$1,000,000 per occurrence and a \$3,000,000 annual aggregate. The excess general and professional liability coverage has a limit of \$10,000,000 per claim and a \$30,000,000 annual aggregate. This policy has been renewed through December 31, 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.

The Company executed a subscription agreement and made capital contributions in exchange for an interest in CCrRRG. Through December 31, 2025, the Company's capital contributions were \$560,508. The Company'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.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Health Insurance

The Company has a self-funding arrangement for health insurance coverage. For the years ended December 31, 2025 and 2024, the Company has 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, The Company has 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).

Legal Actions and Claims

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

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 Costs:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	\$ 296,498	\$ 341,876
Interest on Lease Liabilities	9,563	12,828
Operating Lease Cost	2,427,275	3,007,564
Total Lease Cost	\$ 2,733,336	\$ 3,362,268
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	\$ 9,563	\$ 12,828
Operating Cash Flows from Operating Leases	2,427,275	3,007,564
Financing Cash Flows from Finance Leases	249,746	337,169
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ 111,792	\$ 263,243
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 128,356	\$ 533,662
Weighted-Average Remaining Lease Term - Finance Leases	2.14 Years	2.48 Years
Weighted-Average Remaining Lease Term - Operating Leases	9.05 Years	9.45 Years
Weighted-Average Discount Rate - Finance Leases	2.00%	2.00%
Weighted-Average Discount Rate - Operating Leases	2.88%	2.95%

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 13 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	\$ 2,050,306	\$ 202,382
2027	1,969,790	113,803
2028	1,694,140	37,476
2029	1,076,072	15,744
2030	744,198	-
Thereafter	5,128,360	-
Total	12,662,866	369,405
Less: Interest Expense	(1,617,624)	(7,448)
Amounts Recognized in the Consolidated Balance Sheets	<u>\$ 11,045,242</u>	<u>\$ 361,957</u>

NOTE 14 FUNCTIONAL EXPENSES

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

	<u>2025</u>		<u>Total</u>
	<u>Program</u>	<u>Supporting</u>	
	<u>Services</u>	<u>Services</u>	
	<u>Continuing</u>	<u>Management</u>	
	<u>Care Services</u>	<u>and General</u>	
Salaries and Wages	\$ 100,833,266	\$ -	\$ 100,833,266
Employee Benefits	19,549,805	-	19,549,805
Cost of Goods Sold	241,035	-	241,035
Contract Labor	14,181,284	-	14,181,284
Food Purchases	8,835,090	-	8,835,090
Medical Supplies and Other Resident Costs	20,778,948	-	20,778,948
General and Administrative	-	10,820,823	10,820,823
Building and Maintenance	29,195,919	-	29,195,919
Professional Fees and Insurance	3,317,875	-	3,317,875
Interest	12,685,117	-	12,685,117
Taxes	5,714,883	-	5,714,883
Provision for Credit Losses	1,256,280	-	1,256,280
Depreciation and Amortization	36,926,430	-	36,926,430
Total Functional Expenses	<u>\$ 253,515,932</u>	<u>\$ 10,820,823</u>	<u>\$ 264,336,755</u>

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 14 FUNCTIONAL EXPENSES (CONTINUED)

	2024		
	Program Services	Supporting Services	Total
	Continuing Care Services	Management and General	
Salaries and Wages	\$ 109,134,533	\$ -	\$ 109,134,533
Employee Benefits	23,860,782	-	23,860,782
Cost of Goods Sold	168,014	-	168,014
Contract Labor	15,400,136	-	15,400,136
Food Purchases	8,747,868	-	8,747,868
Medical Supplies and Other Resident Costs	24,984,023	-	24,984,023
General and Administrative	-	10,317,678	10,317,678
Building and Maintenance	29,121,303	-	29,121,303
Professional Fees and Insurance	3,370,966	-	3,370,966
Interest	13,799,832	-	13,799,832
Taxes	5,818,535	-	5,818,535
Provision for Credit Losses	1,577,262	-	1,577,262
Depreciation and Amortization	38,431,205	-	38,431,205
Total Functional Expenses	<u>\$ 274,414,459</u>	<u>\$ 10,317,678</u>	<u>\$ 284,732,137</u>

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

NOTE 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 15 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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 Company has a policy which permits investments in alternative investments that do not have a readily determinable fair value and, as such, uses the NAV per share as calculated on the reporting entity's measurement date as the fair value of the investment.

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

Recurring Fair Value Measures	At Fair Value as of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and Short-Term Investments	\$ 61,404,733	\$ -	\$ -	\$ 61,404,733
Fixed-Income Securities and Mutual Funds	45,554,278	-	-	45,554,278
Equity Securities and Mutual Funds	122,015,030	-	-	122,015,030
Crypto Assets	2,768,428	-	-	2,768,428
Derivative Instruments	-	2,353,505	-	2,353,505
Subtotal	231,742,469	2,353,505	-	234,095,974
Funds Held in Trust	-	-	10,784,153	10,784,153
Investments Measured at Fair Value Using Net Asset Value Per Share	-	-	-	37,454
Total Assets	\$ 231,742,469	\$ 2,353,505	\$ -	\$ 244,917,581

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 15 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Recurring Fair Value Measures	At Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and Short-Term Investments	\$ 63,048,590	\$ -	\$ -	\$ 63,048,590
Fixed-Income Securities and Mutual Funds	42,224,450	-	-	42,224,450
Equity Securities and Mutual Funds	89,591,136	-	-	89,591,136
Derivative Instruments	-	3,884,750	-	3,884,750
Subtotal	194,864,176	3,884,750	-	198,748,926
Funds Held in Trust	-	-	9,755,224	9,755,224
Investments Measured at Fair Value Using Net Asset Value Per Share	-	-	-	680,225
Total Assets	<u>\$ 194,864,176</u>	<u>\$ 3,884,750</u>	<u>\$ -</u>	<u>\$ 209,184,375</u>

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	2025		
	Fair Value	Principal Valuation Technique	Unobservable Inputs
Beneficial Interest In Perpetual Trust	\$ 10,784,153	FMV of trust investments from trustee	Estimated term and timing of future distributions
Instrument	2024		
	Fair Value	Principal Valuation Technique	Unobservable Inputs
Beneficial Interest In Perpetual Trust	\$ 9,755,224	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.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 16 INCOME TAXES

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

	<u>2025</u>	<u>2024</u>
Current:		
Federal	\$ 52,948	\$ 10,608
State	99,206	45,422
Total Current	<u>152,154</u>	<u>56,030</u>
Deferred:		
Federal	2,846	59,588
State	(33,508)	2,684
Total Deferred	<u>(30,662)</u>	<u>62,272</u>
Total	<u>\$ 121,492</u>	<u>\$ 118,302</u>

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

	<u>2025</u>	<u>2024</u>
Net Operating Loss Carryforwards	\$ 7,647	\$ 53,679
Accrued Paid Time-Off Benefits	-	12,679
Deferred Revenue	9,739	5,127
Prepaid Insurance	(2,432)	(17,264)
Intangibles	-	(33,463)
Investments	(272,417)	(259,454)
Depreciation	(12,629)	(70,355)
Federal Benefit of State Deferred	10,072	17,108
Provision for Bad Debt	2,059	7,686
Other Deferred Tax Liabilities	-	(1,797)
Accrued Taxes	-	20,114
Accrued Bonus	58,936	36,253
Total	<u>(199,025)</u>	<u>(229,687)</u>
Valuation Allowance	-	-
Deferred Tax Liability	<u>\$ (199,025)</u>	<u>\$ (229,687)</u>

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 17 CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, 2025 and 2024, contributed nonfinancial assets recognized within the consolidated statements of operations and changes in net deficit included:

	Revenue Recognized in 2025	Revenue Recognized in 2024	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Real Property - Without Donor Restrictions	\$ 952,840	\$ 920,770	It is the Company's policy to sell all contributions of real property immediately upon receipt unless the real estate contribution is intended for use in a specific program by the donor or board.	No associated donor restrictions.	In valuing contributed real property, the Company obtained appraisal reports which estimated the fair value based on recent comparable sales prices.
Real Property - With Donor Restrictions	\$ -	\$ 363,792	It is the Company's policy to sell all contributions of real property immediately upon receipt unless the real estate contribution is intended for use in a specific program by the donor or board. The donations were accepted to fund charitable gift annuities.	\$300,672 restricted in perpetuity for the year ended December 31, 2024. Upon the sale of real estate, the funds are held in perpetuity. The investment income earned is available based on donor intent. \$63,120 temporarily restricted for the year ended December 31, 2024. Upon the sale of real estate, the funds are available based on donor intent.	In valuing contributed real property, the Company obtained appraisal reports which estimated the fair value based on recent comparable sales prices.

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 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.

ASBURY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 18 SUBSEQUENT EVENTS (CONTINUED)

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.

ASBURY COMMUNITIES, INC.
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	Asbury Communities, Inc.	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Asbury, Inc.	Asbury Living	Albright Care Services	Warrior Run Manor, Inc.
CURRENT ASSETS									
Cash and Cash Equivalents	\$ 14,014,444	\$ 4,035,480	\$ 13,676	\$ 2,478,365	\$ 763,817	\$ -	\$ 2,368,514	3,027,666	\$ 305,151
Investments	11,657,479	54,186,952	3,257,400	11,513,871	397,581	-	-	14,356,513	-
Accounts Receivable	-	4,084,953	632,904	1,158,442	1,167,375	-	101,753	2,580,477	-
Allowance for Credit Losses	-	(995,683)	(82,621)	(215,019)	(314,522)	-	(2,500)	(657,814)	-
Pledges Receivable, Net	-	-	-	-	-	-	-	-	-
Other Receivables and Prepaid Expenses	1,182,762	3,266,725	2,385,386	964,295	643,590	-	407,177	2,686,186	39,309
Investments Held under Bond Indenture	-	5,946,756	751,488	2,268,652	582,151	-	-	-	-
Total Current Assets	<u>26,854,685</u>	<u>70,525,183</u>	<u>6,958,233</u>	<u>18,168,606</u>	<u>3,239,992</u>	<u>-</u>	<u>2,874,944</u>	<u>21,993,028</u>	<u>344,460</u>
Due from ACOMM, Net	-	49,546,151	35,319,137	32,143,148	-	-	-	-	-
Property and Equipment, Net	2,909,083	123,955,487	37,669,733	82,688,342	22,268,553	-	23,113,114	38,973,194	934,803
Right-Of-Use Assets - Operating Leases, Net	1,326,431	375,823	91,926	225,861	304,207	-	97,725	7,917,817	-
Right-Of-Use Assets - Finance Leases, Net	44,528	38,306	3,090	62,082	-	-	15,028	165,842	529
Investments Restricted by Donors	-	-	-	16,395,850	-	-	-	4,788,265	-
Deposits and Other Assets	991,491	171,101	914	-	8,259	-	6,537	143,949	28,097
Other Intangible Assets	-	-	-	-	-	-	-	261,957	-
Investments Held under Bond Indenture	-	7,595,972	1,287,935	6,329,167	1,643,366	-	-	-	728,803
Long-Term Investments	1,526,497	-	-	-	-	-	-	-	-
Statutory Reserves	-	19,040,939	4,600,913	4,780,926	1,309,105	-	-	1,588,412	-
Investments Restricted by Board	-	1,420,315	-	4,481,486	-	-	-	-	-
Pledges Receivable, Net	-	-	-	-	-	-	-	-	-
Funds Held in Trust	-	-	-	2,613,790	-	-	-	4,961,203	-
Beneficial Interest in Net Assets of Foundation and Other Perpetual Trust	-	21,365,357	4,662,228	9,174,538	991,626	-	1,555	2,529,418	-
Valuation of Derivative Instruments	-	65,243	-	1,191,386	397,745	-	(32,454)	(21,036)	-
Total Assets	<u>\$ 33,652,715</u>	<u>\$ 294,099,877</u>	<u>\$ 90,594,109</u>	<u>\$ 178,255,182</u>	<u>\$ 30,162,853</u>	<u>\$ -</u>	<u>\$ 26,076,449</u>	<u>\$ 83,302,049</u>	<u>\$ 2,036,692</u>

ASBURY COMMUNITIES, INC.
CONSOLIDATING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	Asbury Communities HCBS, Inc.	Asbury Foundation, Inc.	The Asbury Group, Inc.	Asbury Chandler Estate, LLC	Forest Ridge Manor, Inc.	Bethany Development Corporation	Eliminations	Consolidated Balance
CURRENT ASSETS								
Cash and Cash Equivalents	\$ -	\$ 484,161	\$ 719,823	\$ 1,368,262	\$ 6,152	\$ 429,701	\$ -	\$ 30,015,212
Investments	-	-	-	-	-	-	-	95,369,796
Accounts Receivable	-	-	164,846	101,704	-	-	-	9,992,454
Allowance for Credit Losses	-	-	(7,389)	(16,475)	-	-	-	(2,292,023)
Pledges Receivable, Net	-	476,417	-	-	-	-	-	476,417
Other Receivables and Prepaid Expenses	851,093	87,733	229,482	56,158	22,453	65,007	(87,749)	12,799,607
Investments Held under Bond Indenture	-	-	-	-	-	-	-	9,549,047
Total Current Assets	<u>851,093</u>	<u>1,048,311</u>	<u>1,106,762</u>	<u>1,509,649</u>	<u>28,605</u>	<u>494,708</u>	<u>(87,749)</u>	<u>155,910,510</u>
Due from ACOMM, Net	-	-	2,078,589	-	-	-	(119,087,025)	-
Property and Equipment, Net	-	59,609	35,219	9,038,492	1,908,648	2,546,742	-	346,101,019
Right-Of-Use Assets - Operating Leases, Net	-	-	4,164	29,464	70,441	-	-	10,443,859
Right-Of-Use Assets - Finance Leases, Net	-	-	-	15,703	-	-	-	345,108
Investments Restricted by Donors	-	49,954,109	-	-	-	-	-	71,138,224
Deposits and Other Assets	500	-	-	-	20,670	63,850	-	1,435,368
Other Intangible Assets	-	-	-	537,500	-	-	-	799,457
Investments Held under Bond Indenture	-	-	-	-	189,635	725,882	-	18,500,760
Long-Term Investments	-	1,200,000	20,762	-	-	-	(1,291,616)	1,455,643
Statutory Reserves	-	-	-	-	-	-	-	31,320,295
Investments Restricted by Board	-	-	-	-	-	-	-	5,901,801
Pledges Receivable, Net	-	14,653,217	-	-	-	-	-	14,653,217
Funds Held in Trust	-	3,209,160	-	-	-	-	-	10,784,153
Beneficial Interest in Net Assets of Foundation and Other Perpetual Trust	-	-	-	-	-	-	(38,724,722)	-
Valuation of Derivative Instruments	-	-	-	752,621	-	-	-	2,353,505
Total Assets	<u>\$ 851,593</u>	<u>\$ 70,124,406</u>	<u>\$ 3,245,496</u>	<u>\$ 11,883,429</u>	<u>\$ 2,217,999</u>	<u>\$ 3,831,182</u>	<u>\$ (159,191,112)</u>	<u>\$ 671,142,919</u>

ASBURY COMMUNITIES, INC.
CONSOLIDATING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Communities, Inc.	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Asbury, Inc.	Asbury Living	Albright Care Services	Warrior Run Manor, Inc.
LIABILITIES AND NET ASSETS (DEFICIT)									
CURRENT LIABILITIES									
Accounts Payable and Accrued Expenses	\$ 18,166,633	\$ 955,777	\$ 243,062	\$ 284,952	\$ 270,367	\$ -	\$ 228,653	\$ 921,250	\$ 288,522
Accrued Compensation and Related Items	11,671,007	-	-	-	-	-	-	40,751	-
Accrued Interest Payable	-	2,378,860	386,318	1,490,264	408,017	-	72,696	31,519	9,055
Obligations under Deferred-Giving Arrangements	-	-	-	60,613	-	-	-	13,336	-
Deposits from Prospective Residents	-	2,866,841	404,605	1,025,731	266,861	-	305,986	494,284	-
Entrance Fees - Refundable	-	1,835,575	-	41,415	256,566	-	-	459,148	-
Deferred Revenue	100,461	386,943	53,645	252,082	220,333	-	37,608	88,229	-
Reserve for LIFE Program	-	-	-	-	-	-	-	2,744,045	-
Current Portion of Lease									
Liabilities - Operating Leases	580,729	116,062	22,470	86,630	85,423	-	27,747	834,781	-
Current Portion of Lease									
Liabilities - Finance Leases	21,937	32,200	3,152	15,389	-	-	5,825	111,323	264
Current Portion of Long-Term Debt	-	7,434,434	739,018	3,364,331	1,019,832	-	477,481	462,653	85,268
Total Current Liabilities	<u>30,540,767</u>	<u>16,006,692</u>	<u>1,852,270</u>	<u>6,621,407</u>	<u>2,527,399</u>	<u>-</u>	<u>1,155,996</u>	<u>6,201,319</u>	<u>383,109</u>
Due to ACOMM, Net	56,645,142	-	-	-	6,117,011	-	9,084,144	16,402,956	-
Long-Term Lease Liabilities - Operating Leases, Net of Current	1,043,151	259,761	69,456	139,231	218,783	-	69,978	7,386,971	-
Long-Term Lease Liabilities - Finance Leases, Net of Current	27,617	6,753	-	46,681	-	-	9,416	65,054	349
Long-Term Debt, Net	-	94,511,530	15,305,134	82,552,126	24,074,377	-	19,492,632	8,392,132	2,781,544
Contingent Refundable Entrance Fee Liability	-	77,707,387	23,546,082	7,885,855	11,169,582	-	-	3,991,518	-
Entrance Fees - Deferred Revenue	-	105,129,672	41,405,850	49,536,139	14,252,316	-	-	26,400,066	-
Obligations under Deferred-Giving Arrangements	-	-	-	72,310	-	-	-	60,450	-
Other Long-Term Liabilities	-	1,500,000	-	-	-	-	-	-	-
Total Liabilities	<u>88,256,677</u>	<u>295,121,795</u>	<u>82,178,792</u>	<u>146,853,749</u>	<u>58,359,468</u>	<u>-</u>	<u>29,812,166</u>	<u>68,900,466</u>	<u>3,165,002</u>
NET ASSETS (DEFICIT)									
Without Donor Restrictions	(54,603,962)	(22,387,275)	3,753,089	14,930,079	(29,188,242)	-	(3,737,272)	3,441,737	(1,128,310)
With Donor Restrictions	-	21,365,357	4,662,228	16,471,354	991,627	-	1,555	10,959,846	-
Total Net Assets (Deficit)	<u>(54,603,962)</u>	<u>(1,021,918)</u>	<u>8,415,317</u>	<u>31,401,433</u>	<u>(28,196,615)</u>	<u>-</u>	<u>(3,735,717)</u>	<u>14,401,583</u>	<u>(1,128,310)</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 33,652,715</u>	<u>\$ 294,099,877</u>	<u>\$ 90,594,109</u>	<u>\$ 178,255,182</u>	<u>\$ 30,162,853</u>	<u>\$ -</u>	<u>\$ 26,076,449</u>	<u>\$ 83,302,049</u>	<u>\$ 2,036,692</u>

ASBURY COMMUNITIES, INC.
CONSOLIDATING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

LIABILITIES AND NET ASSETS (DEFICIT)	Asbury Communities HCBS, Inc.	Asbury Foundation, Inc.	The Asbury Group, Inc.	Asbury Chandler Estate, LLC	Forest Ridge Manor, Inc.	Bethany Development Corporation	Eliminations	Consolidated Balance
CURRENT LIABILITIES								
Accounts Payable and Accrued Expenses	\$ 46,142	\$ 13,253	\$ 203,543	\$ 50,456	\$ 55,911	\$ 172,467	\$ (87,749)	\$ 21,813,239
Accrued Compensation and Related Items	-	-	320,952	-	1,148	23,037	-	12,056,895
Accrued Interest Payable	-	-	-	10,000	-	748	-	4,787,477
Obligations under Deferred-Giving Arrangements	-	633,041	-	-	-	-	-	706,990
Deposits from Prospective Residents	-	-	-	255,286	-	-	-	5,619,594
Entrance Fees - Refundable	-	-	-	-	-	-	-	2,592,704
Deferred Revenue	-	95	34,956	40	147	1,062	-	1,175,601
Reserve for LIFE Program	-	-	-	-	-	-	-	2,744,045
Current Portion of Lease	-	-	-	-	-	-	-	-
Liabilities - Operating Leases	-	-	1,848	6,733	-	-	-	1,762,423
Current Portion of Lease	-	-	-	-	-	-	-	-
Liabilities - Finance Leases	-	-	-	7,438	-	-	-	197,528
Current Portion of Long-Term Debt	-	-	-	288,680	-	175,260	-	14,046,957
Total Current Liabilities	<u>46,142</u>	<u>646,389</u>	<u>561,299</u>	<u>618,633</u>	<u>57,206</u>	<u>372,574</u>	<u>(87,749)</u>	<u>67,503,453</u>
Due to ACOMM, Net	-	26,587,288	-	4,250,484	-	-	(119,087,025)	-
Long-Term Lease Liabilities - Operating Leases, Net of Current	-	-	2,316	22,731	70,441	-	-	9,282,819
Long-Term Lease Liabilities - Finance Leases, Net of Current	-	-	-	8,559	-	-	-	164,429
Long-Term Debt, Net	-	-	-	5,817,524	3,293,600	166,667	-	256,387,266
Contingent Refundable Entrance Fee Liability	-	-	-	-	-	-	-	124,300,424
Entrance Fees - Deferred Revenue	-	-	-	-	-	-	-	236,724,043
Obligations under Deferred-Giving Arrangements	-	3,682,886	-	-	-	-	-	3,815,646
Other Long-Term Liabilities	-	-	199,025	-	-	-	-	1,699,025
Total Liabilities	<u>46,142</u>	<u>30,916,563</u>	<u>762,640</u>	<u>10,717,931</u>	<u>3,421,247</u>	<u>539,241</u>	<u>(119,174,774)</u>	<u>699,877,105</u>
NET ASSETS (DEFICIT)								
Without Donor Restrictions	805,451	-	2,482,856	1,165,498	(1,203,248)	3,291,941	(1,291,616)	(83,669,274)
With Donor Restrictions	-	39,207,843	-	-	-	-	(38,724,722)	54,935,088
Total Net Assets (Deficit)	<u>805,451</u>	<u>39,207,843</u>	<u>2,482,856</u>	<u>1,165,498</u>	<u>(1,203,248)</u>	<u>3,291,941</u>	<u>(40,016,338)</u>	<u>(28,734,186)</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 851,593</u>	<u>\$ 70,124,406</u>	<u>\$ 3,245,496</u>	<u>\$ 11,883,429</u>	<u>\$ 2,217,999</u>	<u>\$ 3,831,182</u>	<u>\$ (159,191,112)</u>	<u>\$ 671,142,919</u>

ASBURY COMMUNITIES, INC.
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT)
YEAR ENDED DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Communities, Inc.	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Asbury, Inc.	Asbury Living	Albright Care Services	Warrior Run Manor, Inc.
REVENUES, GAINS, AND OTHER SUPPORT									
Resident and Client Service Revenue	\$ -	\$ 81,553,909	\$ 21,024,848	\$ 35,146,359	\$ 20,419,111	\$ -	\$ 9,997,993	\$ 55,561,192	\$ -
Other Operating Revenue	20,007,767	1,747,269	271,327	2,096,510	616,089	2,490,806	103,232	833,717	937,404
Amortization of Entrance Fees	-	15,148,383	6,163,586	7,233,627	2,323,507	-	-	3,679,791	-
Interest and Dividend Income, Net	395,898	2,448,238	751,188	1,738,327	178,820	-	261,027	1,084,042	377
Net Realized Gain (Loss) on Investments	1,170,017	(1,060,380)	9,586	(177,199)	1,894	-	-	310,087	-
Net Unrealized Gain on Equity Securities	-	7,044,266	659,694	4,231,441	179,016	-	-	1,594,542	-
Contributions of Cash and Other Financial Assets	-	-	-	-	-	-	-	-	-
Contributions of Nonfinancial Assets	-	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions Used for Operations	-	-	-	-	-	-	-	1,643,334	-
Allocations from Asbury Foundation, Inc.	-	4,937,243	943,115	2,811,637	100,607	-	-	743,744	-
Total Revenues, Gains, and Other Support	<u>21,573,682</u>	<u>111,818,928</u>	<u>29,823,344</u>	<u>53,080,702</u>	<u>23,819,044</u>	<u>2,490,806</u>	<u>10,362,252</u>	<u>65,450,449</u>	<u>937,781</u>
EXPENSES									
Salaries	13,415,657	33,213,007	7,603,675	11,959,998	8,910,554	-	3,911,470	17,397,627	154,617
Employee Benefits	2,416,934	5,763,937	1,258,787	2,652,913	1,571,462	-	589,672	4,314,586	34,865
Cost of Goods Sold	-	-	-	-	-	-	-	-	-
Contract Labor	58,939	3,845,894	1,190,379	2,785,090	1,967,980	-	4,488	2,458,934	-
Food Purchases	-	3,796,657	1,098,251	1,162,187	796,694	-	513,598	1,310,537	-
Medical Supplies and Other Resident Costs	-	2,910,584	721,579	1,059,647	740,676	-	266,792	20,128,919	-
General and Administrative	2,066,382	1,493,678	554,060	817,146	595,683	-	341,855	1,658,985	74,070
Building and Maintenance	1,355,270	9,906,782	2,572,243	4,637,994	1,832,445	-	852,680	5,896,109	184,392
Professional Fees and Insurance	75,503	1,054,928	309,655	521,606	290,493	-	134,291	678,813	33,477
Interest	383,774	4,541,276	755,987	3,560,200	1,143,041	-	2,134,433	933,993	126,387
Taxes	152,637	2,171,656	772,660	1,131,481	214,039	-	531,344	498,578	-
Provisions for (Recoveries of) Credit Losses	-	857,486	89,896	171,099	96,665	-	573	(11,805)	-
Depreciation and Amortization	783,493	16,227,887	3,722,022	5,919,755	2,374,239	-	1,625,686	5,316,550	126,446
Overhead Allocation	-	-	-	-	-	-	-	-	-
Service and Other Fees	26,384	10,849,419	2,580,459	4,077,553	2,203,202	-	439,245	5,461,932	-
Allocations to Asbury Foundation, Inc.	-	-	-	-	-	-	-	-	-
Total Expenses	<u>20,734,973</u>	<u>96,633,191</u>	<u>23,229,653</u>	<u>40,456,669</u>	<u>22,737,173</u>	<u>-</u>	<u>11,346,127</u>	<u>66,043,758</u>	<u>734,254</u>
INCOME (LOSS) FROM OPERATIONS PRIOR TO NET UNREALIZED LOSS ON CHANGE IN MARKET VALUE OF DERIVATIVE INSTRUMENTS, GAIN (LOSS) ON DISCONTINUED OPERATIONS, LOSS ON DEBT REFINANCING, AND LOSS ON DISPOSAL OF ASSETS	838,709	15,185,737	6,593,691	12,624,033	1,081,871	2,490,806	(983,875)	(593,309)	203,527

ASBURY COMMUNITIES, INC.
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Communities HCBS, Inc.	Asbury Foundation, Inc.	The Asbury Group, Inc.	Asbury Chandler Estate, LLC	Forest Ridge Manor, Inc.	Bethany Development Corporation	Eliminations	Consolidated Balance
REVENUES, GAINS, AND OTHER SUPPORT								
Resident and Client Service Revenue	\$ -	\$ -	\$ -	\$ 3,554,722	\$ -	\$ -	\$ (5,242,551)	\$ 222,015,583
Other Operating Revenue	169,302	1,251	10,276,628	11,083	361,065	2,252,854	(27,607,513)	14,568,791
Amortization of Entrance Fees	-	-	-	-	-	-	-	34,548,894
Interest and Dividend Income, Net	-	849,771	117,989	21,932	4,009	5,066	(1,632,247)	6,224,437
Net Realized Gain (Loss) on Investments	-	(726,687)	(1,077)	-	-	-	-	(473,759)
Net Unrealized Gain on Equity Securities	-	6,455,449	-	-	-	-	-	20,164,408
Contributions of Cash and Other Financial Assets	-	3,354,291	-	-	-	-	-	3,354,291
Contributions of Nonfinancial Assets	-	952,840	-	-	-	-	-	952,840
Net Assets Released from Restrictions Used for Operations	-	2,123,894	-	-	-	-	-	3,767,228
Allocations from Asbury Foundation, Inc.	-	-	-	-	-	-	(9,536,346)	-
Total Revenues, Gains, and Other Support	<u>169,302</u>	<u>13,010,809</u>	<u>10,393,540</u>	<u>3,587,737</u>	<u>365,074</u>	<u>2,257,920</u>	<u>(44,018,657)</u>	<u>305,122,713</u>
EXPENSES								
Salaries	-	-	3,358,750	1,150,338	46,953	463,859	(753,239)	100,833,266
Employee Benefits	-	38	557,028	271,420	12,544	159,401	(53,782)	19,549,805
Cost of Goods Sold	-	-	517,648	-	-	-	(276,613)	241,035
Contract Labor	-	-	1,896,133	-	-	-	(26,553)	14,181,284
Food Purchases	-	-	-	157,166	-	-	-	8,835,090
Medical Supplies and Other Resident Costs	-	-	-	136,058	645	56,599	(5,242,551)	20,778,948
General and Administrative	120	2,552,918	454,771	56,829	69,749	198,701	(114,124)	10,820,823
Building and Maintenance	-	82,964	632,577	616,997	140,849	511,879	(27,262)	29,195,919
Professional Fees and Insurance	-	4,390	53,130	72,847	22,109	66,633	-	3,317,875
Interest	-	266,275	139,000	309,626	3,624	19,748	(1,632,247)	12,685,117
Taxes	19,680	-	50,834	125,614	45,700	660	-	5,714,883
Provisions for (Recoveries of) Credit Losses	-	3,295	35,941	10,811	2,035	284	-	1,256,280
Depreciation and Amortization	-	21,069	37,142	599,968	94,726	77,447	-	36,926,430
Overhead Allocation	-	-	-	-	-	-	-	-
Service and Other Fees	-	-	581,087	136,659	-	-	(26,355,940)	-
Allocations to Asbury Foundation, Inc.	-	9,536,346	-	-	-	-	(9,536,346)	-
Total Expenses	<u>19,800</u>	<u>12,467,295</u>	<u>8,314,041</u>	<u>3,644,333</u>	<u>438,934</u>	<u>1,555,211</u>	<u>(44,018,657)</u>	<u>264,336,755</u>
INCOME (LOSS) FROM OPERATIONS PRIOR TO NET UNREALIZED LOSS ON CHANGE IN MARKET VALUE OF DERIVATIVE INSTRUMENTS, GAIN (LOSS) ON DISCONTINUED OPERATIONS, LOSS ON DEBT REFINANCING, AND LOSS ON DISPOSAL OF ASSETS								
	149,502	543,514	2,079,499	(56,596)	(73,860)	702,709	-	40,785,958

ASBURY COMMUNITIES, INC.
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Communities, Inc.	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Asbury, Inc.	Asbury Living	Albright Care Services	Warrior Run Manor, Inc.
NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS									
Income (Loss) from Operations Prior to Net Unrealized Loss on Change in Market Value of Value of Derivative Instruments, Gain (Loss) on Discontinued Operations, Loss on Debt Refinancing, and Loss on Disposal of Assets	\$ 838,709	\$ 15,185,737	\$ 6,593,691	\$ 12,624,033	\$ 1,081,871	\$ 2,490,806	\$ (983,875)	\$ (593,309)	\$ 203,527
Net Unrealized Loss on Change in Market Value of Derivative Instruments	-	(89,511)	-	(710,805)	(244,296)	-	(32,454)	(137,003)	-
Gain (Loss) on Discontinued Operations	(2,020,095)	-	-	-	-	(5,179)	-	2,207,685	-
Loss on Debt Refinancing	-	-	-	-	-	-	(845,968)	(153,467)	-
Loss on Disposal of Assets	-	(106,332)	-	-	-	0	-	(220,699)	-
INCOME (LOSS) FROM OPERATIONS	(1,181,386)	14,989,894	6,593,691	11,913,228	837,575	2,485,627	(1,862,297)	1,103,207	203,527
Transfers (to) from ACOMM, Net Assets Released from Restrictions Used for Purchases of Capital Items	936,000	(500,000)	(116,250)	(244,000)	(75,750)	-	-	-	-
Change in Value of Deferred-Giving Arrangements	-	225,984	16,917	1,040,877	47,461	-	-	10,685	-
Net Unrealized Gain (Loss) on Fixed Income Securities and Other Investments	-	-	-	-	-	-	-	(51,694)	-
Changes in Net Assets (Deficit) Without Donor Restrictions	<u>794,737</u>	<u>192,374</u>	<u>14,250</u>	<u>(21,616)</u>	<u>5,771</u>	<u>-</u>	<u>-</u>	<u>677,984</u>	<u>-</u>
	549,351	14,908,252	6,508,608	12,688,489	815,057	2,485,627	(1,862,297)	1,740,182	203,527
NET ASSETS WITH DONOR RESTRICTIONS									
Contributions of Cash and Other Financial Assets	-	-	-	-	-	-	-	-	-
Contributions of Nonfinancial Assets	-	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions for Operations	-	-	-	-	-	-	-	(1,643,334)	-
Net Assets Released from Restrictions Used for Purchases of Capital Items	-	(225,984)	(16,917)	(1,040,877)	(47,461)	-	-	(10,685)	-
Net Investment Income	-	-	-	-	-	-	-	829,764	-
Change in Value of Deferred-Giving Arrangements	-	-	-	(52,561)	-	-	-	(21,470)	-
Change in Beneficial Interest in Net Assets of Asbury Foundation, Inc.	-	623,172	181,004	1,440,515	113,736	-	1,555	108,186	-
Net Change in Net Assets With Donor Restrictions	<u>-</u>	<u>397,188</u>	<u>164,087</u>	<u>347,077</u>	<u>66,275</u>	<u>-</u>	<u>1,555</u>	<u>(737,539)</u>	<u>-</u>
CHANGES IN NET ASSETS (DEFICIT)	549,351	15,305,440	6,672,695	13,035,566	881,332	2,485,627	(1,860,742)	1,002,643	203,527
Net Assets (Deficit) - Beginning of Year	<u>(55,153,313)</u>	<u>(16,327,358)</u>	<u>1,742,622</u>	<u>18,365,867</u>	<u>(29,077,947)</u>	<u>(2,485,627)</u>	<u>(1,874,975)</u>	<u>13,398,940</u>	<u>(1,331,837)</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ (54,603,962)</u>	<u>\$ (1,021,918)</u>	<u>\$ 8,415,317</u>	<u>\$ 31,401,433</u>	<u>\$ (28,196,615)</u>	<u>\$ -</u>	<u>\$ (3,735,717)</u>	<u>\$ 14,401,583</u>	<u>\$ (1,128,310)</u>

ASBURY COMMUNITIES, INC.
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Communities HCBS, Inc.	Asbury Foundation, Inc.	The Asbury Group, Inc.	Asbury Chandler Estate, LLC	Forest Ridge Manor, Inc.	Bethany Development Corporation	Eliminations	Consolidated Balance
NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS								
Income (Loss) from Operations Prior to Net Unrealized Loss on Change in Market Value of Value of Derivative Instruments, Gain (Loss) on Discontinued Operations, Loss on Debt Refinancing, and Loss on Disposal of Assets	\$ 149,502	\$ 543,514	\$ 2,079,499	\$ (56,596)	\$ (73,860)	\$ 702,709	\$ -	\$ 40,785,958
Net Unrealized Loss on Change in Market Value of Derivative Instruments	-	-	-	(239,248)	-	-	-	(1,453,317)
Gain (Loss) on Discontinued Operations	(565,245)	-	-	-	-	-	-	(382,834)
Loss on Debt Refinancing	-	-	-	-	-	-	-	(999,435)
Loss on Disposal of Assets	-	(135,237)	-	(178,911)	(3,491)	(63,887)	-	(708,557)
INCOME (LOSS) FROM OPERATIONS	(415,743)	408,277	2,079,499	(474,755)	(77,351)	638,822	-	37,241,815
Transfers (to) from ACOMM, Net Assets Released from Restrictions Used for Purchases of Capital Items	-	(1,341,924)	-	-	-	-	1,341,924	-
Change in Value of Deferred-Giving Arrangements	-	1,341,924	-	-	-	-	(1,341,924)	1,341,924
Net Unrealized Gain (Loss) on Fixed Income Securities and Other Investments	-	(249,018)	-	-	-	-	-	(300,712)
Changes in Net Assets (Deficit) Without Donor Restrictions	-	(159,259)	-	-	-	-	-	1,504,241
	(415,743)	-	2,079,499	(474,755)	(77,351)	638,822	-	39,787,268
NET ASSETS WITH DONOR RESTRICTIONS								
Contributions of Cash and Other Financial Assets	-	4,351,961	-	-	-	-	-	4,351,961
Contributions of Nonfinancial Assets	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions for Operations	-	(2,123,894)	-	-	-	-	-	(3,767,228)
Net Assets Released from Restrictions Used for Purchases of Capital Items	-	(1,341,924)	-	-	-	-	1,341,924	(1,341,924)
Net Investment Income	-	15,989	-	-	-	-	-	845,753
Change in Value of Deferred-Giving Arrangements	-	(112,412)	-	-	-	-	-	(186,443)
Change in Beneficial Interest in Net Assets of Asbury Foundation, Inc.	-	-	-	-	-	-	(2,468,168)	-
Net Change in Net Assets With Donor Restrictions	-	789,720	-	-	-	-	(1,126,244)	(97,881)
CHANGES IN NET ASSETS (DEFICIT)	(415,743)	789,720	2,079,499	(474,755)	(77,351)	638,822	(1,126,244)	39,689,387
Net Assets (Deficit) - Beginning of Year	1,221,194	38,418,123	403,357	1,640,253	(1,125,897)	2,653,119	(38,890,094)	(68,423,573)
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 805,451</u>	<u>\$ 39,207,843</u>	<u>\$ 2,482,856</u>	<u>\$ 1,165,498</u>	<u>\$ (1,203,248)</u>	<u>\$ 3,291,941</u>	<u>\$ (40,016,338)</u>	<u>\$ (28,734,186)</u>



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