Asbury Solomons
An Asbury Atlantic, Inc.
Continuing Care Retirement Community
11100 Asbury Circle
Solomons, MD 20688

Disclosure Statement
April 30, 2025

The issuance of a Certificate of Registration does not constitute approval recommendation or endorsement of the facility by the Maryland Department of Aging, nor is it evidence of, or does it attest to, the accuracy or completeness of the information set out in this Disclosure Statement.

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1. INTRODUCTION

Asbury Solomons is delighted that you are interested in our community. We hope you find this Disclosure Statement useful and that it provides you with a more detailed understanding of Asbury Solomons. While many of the disclosures provided in this document are required by state regulations, you will find additional information. We believe it is important for you to know and understand the mission, ownership, governance, and finances of a continuing care retirement community (CCRC) before making this important decision.

Asbury Solomons shall amend this disclosure statement at any time, should, in the opinion of Asbury Solomons or the Maryland Department of Aging, an amendment be necessary to prevent the disclosure statement from containing any material misstatement of fact.

Name & Address of Owner/Provider/Facility	**Name & Address of Parent**
Asbury Atlantic, Inc. 5285 Westview Drive, 2nd Floor Frederick, MD 21703 www.AsburySolomons.org	Asbury Communities, Inc. 5285 Westview Drive, 2nd Floor Frederick, MD 21703 www.Asbury.org

Statement of Tax-Exempt Status

Asbury Atlantic, Inc and Asbury Communities, Inc are 501(c)(3) not-for-profit corporations in the State of Maryland.

The most recent determination letter from IRS is located at **Exhibit G**.

Directors & Officers

Names and occupations of Directors and Officers are located at **Exhibit A**. No Directors or Officers have been (i) convicted of a felony or pleaded nolo contendrere to a felony charge for a felony involving fraud, embezzlement, fraudulent conversion, or misappropriation of property, (ii) held liable or enjoined in a civil action by final judgement for a civil action involving fraud embezzlement, fraudulent conversion, or misappropriation of property, (iii) subject to an effective in junction or restrictive order of a court of record in an action that arose out of or related to business activity or health care, including an action that affected a license to operate a facility or serve for senior, impaired, or dependent persons, or (iv) in the past 10 years, had a state or federal license or permit suspended or revoked because a governmental unit brought an action that arose out of or related to business activity or health care, including an action that affected a license to operate a facility or service for senior, impaired, or dependent persons.

2. ABOUT ASBURY SOLOMONS

Description of Campus

Asbury Solomons was founded in 1994 in the scenic southern Maryland bay area. Approximately 450 adults age 60 plus currently enjoy Asbury Solomons' resort-style setting, social and wellness opportunities, its proximity to Washington, D.C., Baltimore and the historic state capital of Annapolis.

Situated on 58 scenic acres fronting the Patuxent River, Asbury Solomons features 228 apartments and 72 cottages for residential living. In addition, Asbury Solomons has 24 assisted living suites, home-based health, and personal care services for aging in place and skilled nursing care for 48 residents.

Located just a mile from Solomons Island, the campus contains many amenities, including a large fitness center with an indoor pool and whirlpool, an extensive dock and nearby boat storage, and a newly renovated dining room overlooking the water.

We are proud to be among a select group of continuing care retirement communities nationally accredited by the United Methodist Association of Health and Welfare Ministries EAGLE.

For additional information about Asbury Solomons, please visit our website at

Statement regarding religious and other affiliations

Asbury Solomons has a historical relationship with the United Methodist Church; however, there are no financial or contractual obligations between Asbury Solomons and the United Methodist Church. Our charitable mission continues to flow from the teachings of John Wesley, founder of the Methodist Church, who believed that a faith-based life is blessed by grace and carried outward into the world in service for others. Today, we translate those values by working toward excellence and doing all the good we can for seniors. Asbury Solomons is owned by Asbury Atlantic, Inc., a Maryland not-for-profit corporation. Asbury Atlantic, Inc. is an affiliate of Asbury Communities, Inc., the not-for-profit parent of a system of senior living and health service providers.

www.asburysolomons.org.

Expansions and Renovations

Asbury Solomons has no current or immediate plans for expansion or renovation beyond minor capital improvements.

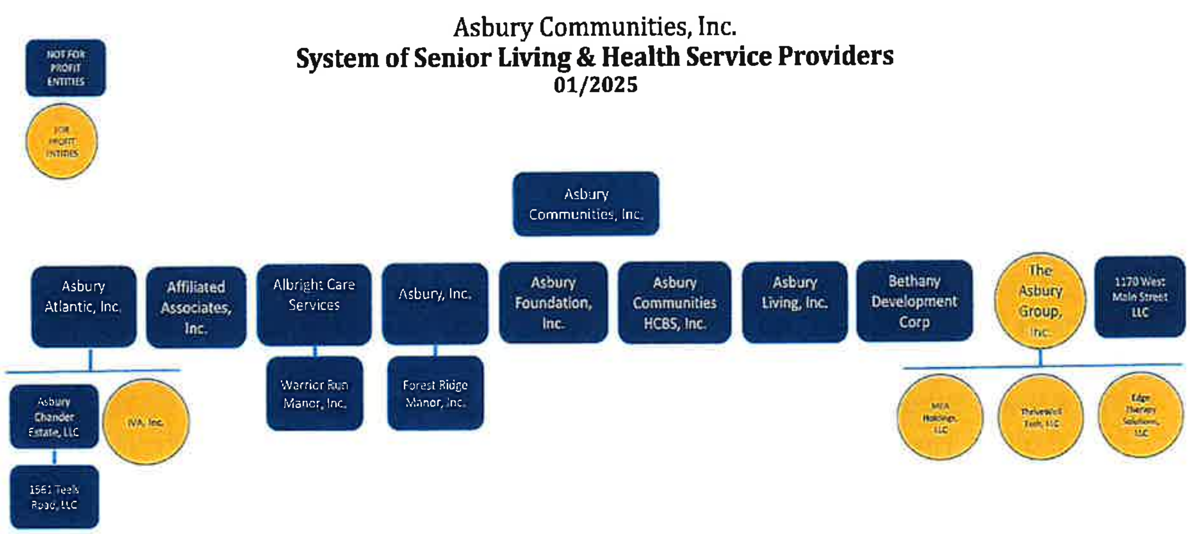
Resident Associations

Asbury Solomons has a very active resident association that promotes resident interests, facilitates communication, interacts with management, and organizes events. To accomplish this, the association collaborates with the Executive Director and staff of Asbury Solomons. A Resident Council is elected by the Association with the authority to act on its behalf, and the Officers of the Resident Council serve as the Officers of the Association.

3. ABOUT OWNER AND PARENT CORPORATION

Asbury Solomons is owned, including the land, and operated by Asbury Atlantic, Inc. which is the provider, the legal entity responsible for providing services to the residents of Asbury Solomons. In addition to Asbury Solomons, Asbury Atlantic owns and operates three other CCRCs. One other in Maryland, Asbury Methodist Village; and two in Pennsylvania, Bethany Village in Mechanicsburg, and Springhill in Erie. Asbury Atlantic also owns and operates Asbury Chandler Estate, Pen Argyl, PA, which offers rentals for seniors and personal care.

Asbury Communities, Inc. is a not-for-profit supporting organization, organized for the benefit of its affiliated and related entities (Asbury System) through the provision of business operations and consulting services. Unless noted below, Asbury Communities is the sole member and supporting organization for the following legal entities (NFP is not-for-profit; FP is for profit):



Asbury Living, Inc. (NFP) owns and operates Asbury Grace Park (Stroudsburg, PA) and Asbury Ivy Gables (Wilmington, DE).

Asbury Atlantic, Inc. (NFP) owns and operates Asbury Methodist Village (Gaithersburg, MD), Asbury Solomons (Solomons, MD), Bethany Village (Mechanicsburg, PA), and Springhill (Erie, PA).

Asbury Chandler Estate, LLV (NFP) is a disregarded entity for tax purposes. Asbury Atlantic is the sole member of Asbury Chandler Estate.

1569 Teels Road LLC (NFP) is a disregarded entity for tax purposes and it owns and operates Asbury Chandler Estate (Pen Argyl, PA). Asbury Chandler Estate. is the sole Member of 1569 Teels Road.

IVA, Inc. (FP) holds the liquor licenses for several of the CCRC communities located in MD and PA. Asbury Atlantic is an owner of IVA.

Albright Care Services (NFP) owns and operates Normandie Ridge (York, PA), Riverwoods (Lewisburg, PA), Pharmacies located at Riverwoods and Asbury Methodist Village, as well as LIFE centers located in Lancaster, Lebanon, and Lycoming, Cumberland and Franklin PA.

Warrior Run Manor, Inc. (NFP) owns and operates a section 202 HUD senior housing apartment building (Watsontown, PA). Albright Care Services controls 5 of 9 Board seats, 4 of 9 Board seats are controlled by Watsontown Area Senior Citizens Housing Corporation.

Asbury, Inc. (NFP) is the current sponsor of Forest Ridge Manor.

Forest Ridge Manor, Inc. (NFP) owns and operates a section 202 HUD senior housing apartment building (Kingsport, TN). Asbury, Inc. is the Sponsor and controlling entity of Forest Ridge Manor, Inc.

1170 West Main Street LLC (NFP) disregarded entity for tax purposes. It is idle with no current assets or operations (other than the issuance of debt as part of a credit group with Asbury Living, Inc. for the benefit of Asbury Living, Inc.).

Asbury Foundation, Inc. (NFP) operates all of the charitable fundraising for Asbury Communities' NFP affiliates.

Asbury Communities HCBS, Inc. (NFP) holds interest in third party company that provides residential home care services.

Affiliated Associates, Inc. (NFP) is a payroll holding company which leases employees to the affiliated entities of Asbury Communities.

Bethany Development Corp (NFP) owns and operates a section 202 HUD senior housing apartment building (Mechanicsburg, PA).

The Asbury Group, Inc.(FP) a for profit which Asbury Communities is the 100% stockholder. The Asbury Group, Inc. owns or has partial ownership interest in the Following:

ThriveWell Tech LLC (FP) provides IT products and services to Asbury Communities, Inc. and other third party entities.

MFA Holdings LLC (FP) owns and operates Asbury Place Maryville, Asbury Place Kingsport/Baysmont, and Asbury Place Kingsport/Steadman Hill. The Asbury Group, holds a minority (40%) interest in MFA Holdings.

Edge Therapy Solutions, LLC (FP) provides PT, OT, ST management services. Edge Therapy Solutions is a joint venture, 50% owned by The Asbury Group, Inc. and 50% owned by an unrelated third party.

4. GOVERNANCE & MANAGEMENT

Management of Asbury Solomons is led by Executive Director Kelly Smith Friedman. Management is responsible for the day-to-day operations and overall functioning of Asbury Solomons. Several governing boards provide oversight of Asbury Solomons.

The Asbury Atlantic, Inc. Board of Directors is legally responsible for control of Asbury Solomons and is primarily responsible for approving budget and maintaining financial health as well as monitoring quality of care and services. The Asbury Communities, Inc. Board of Directors is focused on enhancing the strength of the entire organization, ensuring fulfillment of its mission and tax-exempt purpose, and recognizing its full potential for providing services to the aging.

All decisions regarding Asbury Solomons are made in accordance with the mission, vision, core values, and the charitable purpose of the organization. In making decisions and setting strategic direction, the management and governing boards are responsible for considering what is best for current and future residents of Asbury Solomons as well as the organization as a whole. It is important to bear in mind that resident input is sought and highly regarded, and residents have a voice in many decisions; however, residents are not part of management and do not direct the operation of the campus.

Asbury Atlantic, Inc.
Description of Governance

The Asbury Atlantic, Inc. Board of Directors is comprised of Directors with the responsibility of governing the corporation and its CCRCs, including Asbury Solomons. One of the Asbury Atlantic, Inc. Directors is a current resident of Asbury Solomons. A complete list of the names of the officers and directors of Asbury Atlantic, Inc. is attached as **Exhibit A**. None of the Directors have a financial interest in Asbury Atlantic, Inc. The officers, with the exception of the chair and vice chair of the Board of Directors, are compensated staff members.

Process for Selecting Members of the Board

The selection process for members of the Board is governed by the organization's bylaws, which are drafted in accordance with applicable laws and regulations. The Governance and Nominations Committee of the Asbury Communities Board of Directors is responsible for vetting and nominating individuals to serve on the governing Boards. The Governance and Nominations Committee follows a detailed process to assess current status of each Board to determine needs such as filling openings or specific expertise. The Governance and Nominations Committee also ensures that Board criteria are met, including the requirement for a community subscriber to serve on the Asbury Atlantic Board. Final nominations from the Governance and Nominations Committee are sent to the Board for final review and election in accordance with the bylaws.

Annual and Periodic Meetings between Residents and Management

Asbury Solomons' Executive Director or their designee meets monthly with the resident council. The topic of these meetings generally includes operational updates and other issues of interest to residents. Additionally, the Asbury Solomons Executive Director conducts an annual meeting in November that is also open to all residents. Topics for this meeting include a summary of the Asbury Solomons' operations, financial update, significant changes from the previous year, and goals and objectives for the next year. Residents are given time for question and answer during these meetings. The Executive Director receives and answers questions from residents at this meeting. Year-end and other quarterly financial update meetings conducted by Asbury Atlantic, Inc officers; The President of Community Living, the Chief Financial Officer and/or the General Counsel, also cover significant changes from the previous year and goals and objectives for the next year, combined with a resident question and answer opportunity.

Grievance Procedure

Asbury Solomons established an internal grievance procedure to address resident grievances. A resident or a group of residents collectively may submit a grievance in writing to the Executive Director, Asbury Solomons, at 11100 Asbury Circle, Solomons, Maryland, 20688. Asbury Solomons will send a written acknowledgement to the resident or group of residents within five days after receipt of the written grievance. Asbury Solomons will assign personnel to investigate the grievance. A resident or group of residents who file a written grievance are entitled to a meeting with management of Asbury Solomons within 30 days after receipt of the written grievance to present the grievance. Asbury Solomons will provide a response in writing within 45 days after receipt of the written grievance as to the investigation and resolution of the grievance. Within 30 days after Asbury Solomons provides its response to the grievance, a resident, group of residents, or Asbury Solomons may seek mediation through one of the community mediation centers in the State of Maryland or another mediation provider. If a resident, group of residents, or Asbury Solomons seeks mediation under the preceding sentence, the mediation shall be nonbinding.

Services Agreements

Asbury Solomons receives business services from Asbury Communities, Inc. pursuant to a Services Agreement. Asbury Atlantic, Inc. has a contract with Asbury Communities, Inc. for the provision of certain business services, including financial, information technology, legal, human resources, governance, clinical, and marketing services. However, associates on the Asbury Solomons campus are not employees of Asbury Communities. Rather, Asbury Communities employs staff to provide support to its affiliated entities. For example, the human relations department at Asbury Communities negotiates the benefits packages for all employees in the organization. This eliminates the need for Asbury Solomons to have all of the staff and expertise to provide the necessary non-resident direct services and spreads the cost for these services over all entities in the organization.

The organization also contracts with third party service providers, an example of which is its management services agreement with Sodexo to provide maintenance and other services in Asbury's continuing care retirement communities. Depending on the community, this contract may include housekeeping, maintenance, and laundry services. The employees in these departments are Asbury Solomons employees, but the manager of each department is a Sodexo employee. By contracting for services with Sodexo, Asbury Solomons receives a consistently high level of service for a lower cost than if each continuing care retirement community procured or provided these services on its own.

5. SERVICE & FEES

Description of Services

The following services are included in your monthly fee:

- Maintenance and repairs to resident's unit and appliances (provided by Asbury Solomons) as a result of normal wear and tear
- Ground maintenance, trash removal, snow removal
- Heat, electric, hot water, and air conditioning (except Cottage residents)
- Basic telephone service (long distance charges not included)
- Basic cable television service (premium channels and other services not included)
- Dining program
- Parking
- Use of all outdoor areas and amenities
- Use of private meeting rooms and entertainment areas
- Access to campus amenities*
- Scheduled transportation
- Move-in assistance

*Amenities include the fitness room, indoor pool, computer room, woodworking shop, craft/art facilities, gift shop, garden plots and a fishing and crabbing pier.

The following services are available for an extra charge:

- Additional dining for residents and guests
- Beauty/Barber services
- Catering services
- Home health and personal care services
- Housekeeping services
- Transportation to local medical visits
- Transportation to cultural events
- Specialized geriatric wellness programs
- Massage therapy

The cost of residence in the Asbury Solomons Health Care Center or Assisted Living facility is not included in the monthly fee for apartments or Cottages.

*Room and ancillary fees for the Health Care Center are listed at **Exhibit B**. Room and ancillary fees for Assisted Living are listed at **Exhibit C**.*

Description of Fees

There are different types of fees:

Type of Fee	**Entrance Fee**	**Monthly Fee**	**Ancillary Fees**
Frequency of Payment	Paid once upon entrance to community	Paid Monthly	Paid Monthly
Other Info	Includes non-refundable, refundable* and standard entrance fee options. Amount depends upon fee option and unit type/size/location.	Covers cost of unit and other services (see previous page).	Covers cost of additional products and services that are not covered in the Monthly Fee (see previous page).
*** CAREFULLY READ THE CONTINUING CARE AGREEMENT FOR THE CONDITIONS THAT MUST BE SATISFIED BEFORE ASBURY SOLOMONS IS REQUIRED TO PAY THE ENTRANCE FEE REFUND.**			

Asbury Solomons offers three entry fee options; (1) standard entrance fee (2); 80 percent refundable entrance fee; and (3) a non-refundable entrance fee. The standard fee option is lower in cost than the refundable fee option. The standard entrance fee amortizes over the first 50 months of residency. After 50 months, there is no refundable portion of the standard entrance fee remaining. The 80 percent refundable entrance fee option returns 80 percent of the amount paid by the resident. Generally, refundable entrance fees are paid when the community receives an entrance fee from a successor resident for the vacated unit and the vacating resident no longer resides in any accommodation at Asbury Solomons. **Carefully read the continuing care agreement for the conditions that must be satisfied before Asbury Solomons is required to pay the Entrance Fee Refund.**

In addition to the entrance fee, residents pay a monthly fee, depending upon the size and type of unit, as well as ancillary fee for products and services not included in the monthly fee.

> **Fee for Service CCRC**
>
> Asbury Solomons is a *Type C*, fee for service continuing care retirement community. Residents pay the standard per diem fees if they need assisted living or nursing services, the fees do not include any free or discounted health care or assisted living services. However, they do receive priority admission for those services. Residents are also eligible for benevolent care support if they exhaust their financial resources through no fault

*A complete listing of current and historical entrance fees and monthly fees by unit is located at **Exhibit E**.*

All fees paid by residents to Asbury Atlantic may be used by Asbury Atlantic for any legal purpose, including the payment of debt (principal and interest), the payment of management fees to Asbury Communities (to be used by Asbury Communities for any purpose in keeping with its mission, vision, and tax exempt charitable purpose), the transfer of funds to Asbury Communities (to be used by Asbury Communities for any purpose in keeping with its mission, vision and tax exempt charitable purpose), the expansion of services on the Asbury Solomons campus or through the purchase or construction of a CCRC or other business or entity serving the organization's mission and tax exempt purpose, the creation of a new line of business serving the organization's mission and tax exempt purpose, and/or any other purpose. The portion of the Entrance Fee to be refunded after occupancy, if any, is not held in trust or escrow for the benefit of Resident after occupancy.

Benevolent Care

ASBURY FOUNDATION

A significant part of the organization's charitable mission is to ensure that residents, who have outlived their resources through no fault of their own, are able to continue to reside at Asbury Solomons. This means that residents who have conserved resources will be eligible to apply for and receive benevolent care support, as long as the provision of such support does not impair the ability of the organization to operate on a sound financial basis and maintain the facilities and services for other residents at Asbury Solomons. The Asbury Foundation actively seeks donations for benevolent care, including a special endowment fund, to offset the costs of providing this support.

6. FINANCIAL INFORMATION

*The financial statements for the year ending December 31, 2024 for Asbury Atlantic, Inc., as audited by CliftonLarsonAllen LLP, are located at **Exhibit H**.*

Maryland Obligated Group

Asbury Solomons does not have any individual long-term debt. Instead, all of its long-term debt is part of the Maryland Obligated Group. The long-term debt obligations of the Maryland Obligated Group are secured by the assets and operations of Asbury Methodist Village and Asbury Solomons. For financial statement purposes, the long-term debt for liability of principle, and interest is allocated to the respective community for which the debt was incurred. Since the inception of the Maryland Obligated Group, there has never been a time that either Asbury Methodist Village or Asbury Solomons have been unable to pay their share of the debt of the Maryland Obligated Group.

Being part of the Maryland Obligated Group enables each continuing care retirement community to obtain the capital funds it requires at a lower interest rate than it could if it were to borrow the funds individually. The Maryland Obligated Group is sufficiently financially strong that its debt is rated as investment grade by Fitch, Inc.

Asbury Communities, Inc. is not a member of the Maryland Obligated Group. However, Asbury Communities, Inc. has contractual obligations to maintain specific liquidity levels and to provide financial support to the Maryland Obligated Group under certain circumstances. Asbury Communities, Inc. also has contractual obligations to maintain specific liquidity levels and to provide financial support to a separate non-Maryland Obligated Group under certain circumstances. Asbury Atlantic, Inc. has agreed, under certain circumstances, from time to time, to the extent permitted by law, to transfer funds to Asbury Communities, Inc. For each year, 2023 and 2024, Asbury Methodist Village transferred $375,000to Asbury Communities. In 2023 and 2024, Asbury Solomons transferred $38,750 and $0, respectively, to Asbury Communities. For each year, 2023 and 2024, the non-Maryland Obligated Group transferred $233,500 to Asbury Communities. Transfers between the entities have occurred since 2006.

Long-Term Financing

Currently, the Maryland Obligated Group is responsible for a total long-term debt of $124,104,000, which is allocated into the following four separate tax-exempt bond issuances.

Bond Series	Interest Rate	Maturity Date	Principle Outstanding (as of 12/31/2024)
2018 A MD	Fixed Rate Revenue Bonds	2023-2036	73,390,000
2018 B MD	Fixed Rate Revenue Bonds	2022-2027	7,075,000
2019 B MD	Variable Rate Revenue Bonds	2019-2027	3,639,000
2022 A MD	Fixed Rate Revenue Bonds	2023-2042	40,000,000

Operating Reserves

Asbury Solomons is required to maintain certain operating reserves pursuant to Title 10 of the Human Services Article of the Annotated Code of Maryland. In the audited financial statements for the fiscal year ending December 31, 2024, Asbury Solomons has delineated a line item called Statutory Reserves. The total cash and marketable securities available for this reserve was $4,485,871 as of December 31, 2024.

Renewal and Replacement of Facilities

On an annual basis, Asbury Solomons prepares an annual budget which includes capital spending for the renewal and replacement of facilities. Funds for such capital expenditure may come from the following sources: (1) net operating revenue, (2) entrance fees net of any refunds, or (3) debt financing.

Management of Investments

All investment funds are managed pursuant to Investment Guidelines established by the System Audit & Finance/Investment Committee which meets quarterly. At each quarterly meeting, fund performance for the various funds is reported upon, and as necessary, the Investment Guidelines are changed to meet the needs of the organizational investment structure. The Committee is populated by Directors with various professional backgrounds and expertise and are supported by the Chief Financial Officer and Vice President & Controller. Further, the Committee engages third party consultants as the Committee's advisors for its investment portfolio. The advisors provide reports during the Committee's meetings, make investments recommendation based on the Investment guidelines, and are available to answer questions.

Exhibit A

ASBURY ATLANTIC, INC.
BOARD OF DIRECTORS
2025

DIRECTORS (3-9)	BACKGROUND/CONTACT	Overlap Boards
Efonda Sproles, Chair	Human Resource/Recruitment Professional, 5285 Westview Drive, #200 Frederick, MD 21703 301 250 2100	Asbury Communities, Inc.
Rich Shuman, Vice Chair	Finance Professional 5285 Westview Drive, #200 Frederick, MD 21703 301 250 2100	Asbury Communities, Inc.
Mariana Matus	Technology CEO & Founder 5285 Westview Drive, #200 Frederick, MD 21703 301 250 2100	Asbury Communities, Inc.
Veronica Hill-Milbourne	Healthcare President & CEO 5285 Westview Drive, #200 Frederick, MD 21703 301 250 2100	Asbury Communities, Inc.
Barbara Harbison *(AMV)	IT professional 5285 Westview Drive, #200 Frederick, MD 21703 301 250 2100	
Todd Andrews	Asbury Executive 5285 Westview Drive, #200 Frederick, MD 21703 301 250 2100	
** Resident Board Members*		

OFFICERS
Todd Andrews, President
Andrew Joseph, Secretary
Andrew Jeanneret, Treasurer

Exhibit B

Asbury Solomons
Health Care Center
For Private Pay Residents

Below are the daily rates for the Health Care Center as of the date you become a resident of Asbury Solomons:

A. Items and Services Included in the Daily Rate.
The items and services included in the daily rate, and their related charges, are listed below.

Description of Items & Services Included in the Daily Rate
1. Room & Board – Private Daily Rate: $543.00
2. Room & Board – Semi-Private Rate: $488.00
3. Social Services
4. Nursing care, including: a. The administration of prescribed medications, provisions of treatments and diet; b. The provision of care to prevent skin breakdown, bedsores, and deformities; c. The provision of care to keep the resident comfortable, clean and well-groomed; d. The provision of care to protect the resident from accident, injury, and infection; e. The provision of care necessary to encourage, assist and train the resident in self-care and group activities.
5. Other: Housekeeping, laundry, linen service, recreational and social programs, local telephone service, basic cable TV service, standard assistive devices for mobility.

B. Items and Services Not Included in the Daily Rate.

The items and services available in the facility that are not included in the daily rate are listed below. You may be charged for these items and services if you (or your physician with your approval) ask for them and you receive them. If you are eligible for Medicare and/or have private insurance and you believe that Medicare and/or your private insurance may cover an item or service listed below, you should ask us to submit the bill to Medicare and/or your private insurance. (The services marked (*) may have a separate supply charge You will be notified of those charges at the time the supplies are ordered.)

Asbury Solomons
2025 Ancillary Charge Listing

This list of services, equipment, and supplies is not intended to be all inclusive.

Administration		
Badge Replacement		**$12.90**
Caregiver Badge		**$10.70**
S.A.R.A. Pendant Replacement		**$244.10**
Roam Alert Replacement		**$295.60**
Roam Alert Replacement Bracelet		**$4.30**
Additional Amenities		
Guest Suite Charges		**$128.80**
Beauty Salon		
SHAMPOO & CONDITIONERS		
Shampoo		**$15.00**
SETS & CUTS		
Set (or Blow-dry / Curling Iron)		**$30.00**
Shampoo & Style		**$43.00**
Shampoo, Cut & Style		**$68.00**
Haircut only		**$39.00**
Haircut & Shampoo Package		**$46.00**
Clipper Cut		**$30.00**
Clipper Cut & Shampoo Package		**$37.00**
Neck Trim		**$16.00**
Braids	Starting at.......	**$34.00**
COLORS		
Single Process Color		**$62.00**
Single Process Color & Style		**$86.00**
Highlights - Price Level 1		**$78.00**
Highlights - Price Level 2		**$88.00**
Highlights - Price Level 3		**$98.00**
Temporary Color Rinse		**$12.00**
PERMS & RELAXERS		
Perm, Cut, & Style		**$115.00**
Perm Only		**$70.00**
Perm & Style		**$94.00**

Beauty Salon Continued	
SPA TREATMENTS	
Manicure	**$30.00**

Truist Gloves	$10.00
Toenail Clipping	$22.00
AESTHETICS	
Facial Grooming	$19.00
Hair Removal Service (per service for Chin or Lip)	$16.00
Hair Removal Service (per service for Brow)	$17.00

*Residents receiving Medicaid benefits will be charged according to beauty

and hair services policy.

Dining

Dining Points Bank	250
Resident Buffet	Based on Items Served
Guest Buffet - Sunday	Based on Items Served
Resident Buffet - Holiday or Theme	Based on Items Served
Guest Buffet - Holiday or Theme	Based on Items Served
Child's Meal (under 12)	$9.99
Child's meal (under 5)	Free
Meal Delivery	$5.00

Prices Do Not include 6% MD sales tax.
Groceries, Catering and Grill items are subject to change based on market conditions.

Meals in the Riverview Dining Room are served a la carte or buffet style

Environmental / Maintenance Services

1 Hour (60 Minutes)	$53.60
Additional 1/4 Hour after the first hour	$13.40
Key Replacement	$20.60
Door Lock Core Replacement	$140.10
Dump Fee	$61.80

Housekeeping Services

1/2 Hour - Minimum (30 Minutes)	$28.80

Additional 1/4 Hour after the first half hour	**$14.40**

Light carpet cleaning is subject to a 1 hour minimum charge.
Rollaway Rental will incur a **$10.00** per day charge, with or without linens including delivery and pick-up.
Housekeeping charges are included in the Health Care Center and Assisted Living daily fees.

Cot fee per night	**15.50**

Miscellaneous Charges

Return Check Fee	*Per instance*	**$25.00**
Return Electronic Fund Transfer	*Per instance*	**$10.00**

Nursing Services

Amounts are daily charges unless indicated otherwise.

*Catheter Care	**$11.30**
Incontinence Care - Light (Less than 4 packs of product/month)	**$11.00**
Incontinence Care - Moderate/Heavy (Greater than 4 packs of product/month)	**$17.10**
*Intravenous Therapy	**$44.10**
Isolation Precaution	**$11.90**
*Nebulizer Treatment	**$10.80**
*Ostomy Care	**$12.70**
*Suctioning Care	**$20.80**
*Tube Feeding (Not Billable to Medicare)	**$11.90**
* Wound Care - Simple - Daily Dressing Change	**$11.90**
Complex - Twice Daily Dressing Change	**$18.00**
Extensive - 3 Times Daily Dressing Change	**$23.90**
Diabetic Services	**$7.30**

*Charge does ***not*** include supplies.

Physical, Occupational, and Speech Therapy Services

Services are charged by type of treatment or evaluation, as identified by the Healthcare Common Procedure Code and are based on the Medicare Physician Fee Schedule. A detailed fee schedule is available upon request. Consult with your therapist for rates prior to treatment.

Pharmacy and Laboratory Services

Billed by provider of service.

Nursing Services Continued

Special Equipment Charges

Amounts are daily charges

Enteral Pump Rental	**$9.40**
IV Pole Rental	**$29.50**
Mobility Alarms	**$3.60**
Oxygen Concentrator	**$11.30**
Portable Oxygen Tank Rental	**$13.70**
Specialty Beds (per day)	* varies depending on type
Specialty Mattresses (per day)	**$15.70**
*Wound Vac Rental	* varies depending on type

*Charge does ***not*** include supplies.

All other Individual charges available upon request. Charges of special equipment reflect current costs subject to change based on supplier rate increases.

Supplies and Equipment covered by Medicare for residents in the nursing home will be billed to Medicare within covered limits. Any non-covered items will be charged to the resident.

Nursing ancillary charges will not apply to Medicaid recipients and Medicare Part A recipients or when excluded by our contract with other third-party payers.

List may not be all inclusive and special equipment / supplies will be charged upon notification.

Telephone System

Local phone system (primary line)		**Included**
Second phone line	Per month	**$20.00**
Asbury Voice Mail Service	Per month	**$5.00**
New Service	Per line	**$75.00**
Resident Disconnect	Per line	**$25.00**
Resident Move	Per line	**$75.00**
Assign new resident phone number	Per line	**$65.00**
Time and Materials services for new jack location, cabling	Per Hour	**$70.00**
Connection fee for installing external telephone service		**$45.00**
Resident Device Troubleshooting	1st incident	**$10.00**
	Subsequent Incident	**$25.00**
International Long Distance Calling	Per Month	**$10.00**

Transportation

Scheduled Departure after 8:00 a.m. and / or arrival back at Solomons before 4:30 p.m., Monday - Friday

Hourly Rate	**$23.70**
Per mile rate	**$0.60**
Transportation Escort - Hourly Rate	**$23.70**

Scheduled Departure prior to 8:00 a.m. and / or arrival back at Solomons after 4:30 p.m. on Monday-Friday; or anytime on Saturday, Sunday and Holidays

Hourly Rate	**$36.10**
Per mile rate	**$0.60**

Exhibit C

Exhibit C: Asbury Solomons Disclosure Statement 2025

Asbury Solomons
Assisted Living Fees

The Entry Fee (first person $26,280; second person: $13,049) is fully refundable and required when directly entering our Assisted Living component (i.e., without having first resided at Asbury Solomons in an apartment or cottage). This entry fee permits access to nursing in our Health Care Center, if ever required. At such time as it may be necessary for a resident to transfer to our Health Care Center, the daily rate for nursing services as specified in the Health Care Center admissions agreement will be charged.

Below are the daily rates for Assisted Living as of the date you become a resident of Asbury Solomons:

1. Single Unit with low (Level 1) level of care. $288.00 per day
3. Single Unit with moderate (Level 2) level of care. $329.00 per day
5. Single Unit with high (Level 3) level of care. $365.00 per day

If two residents reside in a unit the second resident is assessed a "Second Person" daily fee of $143.00. These rates are subject to change in accordance with the current Residency Agreement.

Service Available at Additional Charges:

- Beauty/Barber shop
- Gift shop
- Catering service for private parties
- Additional housekeeping services
- Long-distance phone calls
- Health care services
- Medicines
- Medical equipment and devices
- Physician services
- Transportation to medical appointments (local)

Exhibit D

Maryland Assisted Living Program

Uniform Disclosure Statement

What is the Purpose of the Disclosure Statement?

The purpose of the Disclosure Statement is to empower consumers by describing an assisted living program's policies and services in a uniform manner. This format gives prospective residents and their families consistent categories of information from which they can compare programs and services.[1]

It is important to note that the Disclosure Statement is not intended to take the place of visiting the program, talking with residents, or meeting one-on-one with staff. Nor is the statement a binding contract or substitute for the Resident Agreement. Rather, it serves as additional information for making an informed decision about the services provided in each program.

If you have any questions about any issue raised in the Disclosure Statement or in the Resident Agreement provided by an assisted living program, please seek clarification from that program's manager or administrator.

What is Assisted Living?

Assisted living is a way to provide care to people who are having difficulty living independently. Assisted living providers furnish a place to live, meals, and assistance with daily activities such as dressing, bathing, eating, and managing medications. Assisted living programs also tend to have a less institutional look than nursing homes. However, these facilities are not as highly regulated by the State as nursing homes. There are a wide variety of assisted living programs in Maryland. They range from large, corporate-managed facilities where hundreds of people live in their own apartments to small, private homes.

Assisted living programs may differ in many ways including, but not limited to: size, staff qualifications, services offered, location, fees, sponsorship, whether they are freestanding or part of a continuum of care, participation in the Medicaid Waiver, ability to age in place, and visiting hours. Therefore, consumers should try to have a general idea of what type of setting, services, and price range they may want before contacting an assisted living program, as well as having questions prepared to ask the program manager or administrator. Consumers may find the Maryland Department of Aging's publication entitled, "Assisted Living in Maryland: What You Need to Know," helpful when they are contemplating assisted living. The publication may be downloaded from the Department of Aging's Web site. (https://aging.maryland.gov/documents/ALGuide.pdf)

In addition, the Office of Health Care Quality (OHCQ) encourages consumers to verify the licensure status of any assisted living program that they are considering. A list of licensed assisted living programs is available online. (https://health.maryland.gov/ohcq/Pages/Licensee-Directory.aspx)

Where can I find the Assisted Living Licensure Standards?

The Assisted Living Licensure Standards are found in the Code of Maryland Regulations (COMAR) 10.07.14, available at public libraries, or online at http://www.dsd.state.md.us/Publications.html. A copy of the most recent survey report of an assisted living program may be obtained from the program's manager or administrator.

[1] Assisted Living providers are not required to provide all of the services listed in the Disclosure Statement—regulatory requirements may be found in COMAR 10.07.14.

1) Assisted Living Program Contact Information:

Facility Name Asbury Atlantic Inc. dba Asbury Solomons		
License No. 4AL023	No. of Licensed Beds 30	Level of Care at which Facility is Licensed 3
Address (Street, City, State, Zip) 11750 Asbury Circle, Solomons, MD 20688		
Phone Number 410-394-3484	Fax Number 410-394-3558	
E-Mail Address (optional)	Operator/Management Company Asbury Communities	
Manager Nicole Daniels, BSN, RN	Contact Information 410-394-3082	
Delegating Nurse Staci Nims, RN	Contact Information 410-394-3484	
Alternate Manager Kelly Freidman, LNHA	Contact Information 410-394-3030	
Completed By Stephen Mathis	Title Business Manager	Date Completed 06/26/2025

2) What sources of payment are accepted?

Assisted living programs differ in what types of sources they may accept for payment, e.g. private insurance, Medicaid, private pay, SSI/SSDI, etc. What sources of payment are accepted at this program?

Private Pay/Private Insurance

3) What are levels of care?

The levels of care correspond with how much assistance residents need. The level of care designation, therefore, reflects the complexity of the services required to meet the needs of a resident. The State of Maryland recognizes three levels of care, and they are as follows: Level 1 is low level of care required, Level 2 is moderate level of care required, and Level 3 is high level of care required.

A resident's level of care is determined by the Resident Assessment Tool, which collects essential information about a resident's physical, functional, and psychosocial strengths and deficits. There are two components to the assessment tool - a Health Care Practitioners Physical Assessment, to be completed or verified by a health care practitioner, and the Assisted Living Manager's Assessment, to be completed by the Assisted Living Manager or designee. A resident's score on the assessment tool determines his/her level of care (Level 1 = a total score of 0-20; Level 2 = a total score of 21-40; and Level 3 = a total score of 41 or higher).

Some assisted living programs may have elected to develop more than three levels of care. If an assisted living program has more than three levels of care, please describe the levels of care and how they correlate to the three levels of care recognized by the State. In addition, include program charges for each level of care.

Explanation: (You may attach materials as necessary) Asbury Solomons uses the State level system.

4) What is a Resident Agreement?

The resident agreement is a legal contract, obligating a consumer to provide payment in return for services to be provided by the assisted living program. An assisted living program will provide a consumer with a Resident Agreement to review and sign prior to move-in. Prospective residents should feel free to request a copy of a sample resident agreement at any time.

The resident agreement is required by regulation to include, at a minimum, the information provided in COMAR 10.07.14.24(D) and 10.07.14.25(A), such as: the level of care the program is licensed to provide, a list of services provided by the program, an explanation of the program's complaint or grievance procedure; admission and discharge policies and procedures; obligations of the program and the resident or the resident's representative with regards to financial matters—handling resident finances, purchase or rental of essential or desired equipment; arranging or contracting for services not covered by the resident agreement; rate structure and payment provisions; identification of persons responsible for payment; notice provisions for rate increases; billing, payment, and credit polices; and terms governing the refund of any prepaid fees or charges in the event of a resident's discharge or termination of the resident agreement.

5) What Services are Provided?

Consumers should expect assisted living programs to provide clear information regarding services and fees. Some programs may charge fees for services based on the resident's assessed level of care, while others may provide an "a la carte" menu of services. Consumers should understand what is included in the base monthly rate, what services require an additional charge, circumstances under which fees may increase, and the refund policy. Below is a chart to help consumers better compare assisted living programs. This chart is not all-inclusive and providers may offer more or fewer services than listed below.

Offered		Service	Included in Base Rate for Level of Care (yes/no)	May be Purchased Separately. If so, please indicate cost.
Yes	No			
Nursing and Clinical Care:				
☒	☐	24-Hour Awake Staff, Including Awake Overnight Staff	Yes	
☒	☐	Nursing Review Every 45 Days (Required by COMAR)	Yes	
☒	☐	On-site Licensed Nursing (40 Hours/Week)	Yes	
☒	☐	Physician Services	No	
☒	☐	Bladder Incontinence Care	No	See Ancillaries list
☒	☐	Bowel Incontinence Care	No	See Ancillaries list
☒	☐	Catheter Care	No	See Ancillaries list
☒	☐	Consultant pharmacist medication review (required in some cases)	Yes	
☒	☐	Diabetes Care	Yes	
☒	☐	End of Life Care	Yes	
☒	☐	Home Health	No	
☒	☐	Hospice Care	No	
☒	☐	Incontinence Products	No	See Ancillaries list
☒	☐	Infection Control Materials (e.g., gloves, masks, etc.)	Yes	
☒	☐	Nutritional Supplements	No	
☒	☐	Service Plan and Frequency Q6M/PRN (Required by COMAR at least every 6 months)	Yes	
☒	☐	Temporary use of wheelchair/walker	Yes	

Offered		Service	Included in Base Rate for Level of Care (yes/no)	May be Purchased Separately. If so, please indicate cost.
Yes	No			
Personal Care:				
X		Arrange/Coordinate Medical Appointments	Yes	
X		Assistance with bathing	Yes	
X		Assistance with dressing	Yes	
X		Assistance with handling money	Yes	
X		Assistance with incontinence	No	See Ancillaries list
X		Assistance with preparing meals	Yes	
X		Assistance with shopping for food or personal items	Yes	
X		Assistance with toileting	Yes	
	X	Companion Services	No	Varies
X		Housekeeping	Yes- 1 per week	Yes- more than 1/
X		Mobility/Transfer Assistance	Yes	
X		Personal Care Items	No	Varies
Environment:				
X		Activities program (7 days per week), specify programs or attach calendar.	Yes	
X		Alcohol Consumption	No	
X		Barber/Beauty Shop	No	See Ancillaries list
X		Cable TV	Yes	
X		Fire Sprinklers (Yes in all areas or ____in some areas), specify:	Yes	
X		Internet Access	Yes	
X		Linens/Towels	Yes	
X		Chair Glide System	No	
	X	Dry Cleaning Services	No	
X		Elevators	Yes	
X		Emergency Call System	Yes	
X		Emergency Generator	Yes	
X		Fire Alarm System	Yes	
X		Automatic Electronic Defibrillators (AEDs)	Yes	
X		Handrails	Yes	
X		Personal Laundry	Yes	
X		Personal Phone	Yes	
	X	Pets Allowed, specify: Dogs, Cats, Fish and other small animals	No	
X		Ramps	Yes	
X		Security Services, specify: Onsile Security, exterior door monitoring, Apartment door locks	Yes	
	X	Smoking	No	
X		Secured Areas Locked Storage areas for residents	Yes	
X		Sprinkler system	Yes	
X		Transportation, specify	No	See Ancillaries list
X		Visitation, specify hours and include the facility's policies and procedures	Yes- open 24/7	

Offered: Yes	Offered: No	Service	Included in Base Rate for Level of Care (yes/no)	May be Purchased Separately. If so, please indicate cost.
Environment: (Continued)				
☒	☐	Volunteer Services, specify and include the facility's policies and procedures	Yes	
☒	☐	Wander Guard or similar system, specify:	No	See Ancillaries list
Dietary:				
☒	☐	Meals (3 per day & snacks) (COMAR requires a minimum of 3 meals per day & additional snacks)	Yes	
☒	☐	Special Diets, specify:	Yes	
☒	☐	Family or Congregate Meals	No	See Ancillaries list
Pharmaceuticals/Medications:				
☒	☐	Durable Medical Equipment, specify:	No	See Ancillaries list
☒	☐	Medication Administration	Yes	
☒	☐	Medication Injections	Yes	
☒	☐	Pharmaceuticals	No	Varies
☒	☐	Self Administration of Medications Permitted	Yes	
☒	☐	Use of Outside Pharmacy Permitted	No	
☒	☐	Use of Mail Order Pharmacy Permitted	No	
Specialized Care or Services:				
☒	☐	Behavior Management: Verbal Aggression	Yes	
☒	☐	Behavior Management: Physical Aggression	Yes	
☒	☐	Dementia Care	Yes	
☐	☒	Intravenous Therapy	No	
☒	☐	Mental Health Supports and Services, specify:	No	
☒	☐	Ostomy Care	No	See Ancillaries list
☒	☐	Oxygen Administration	Yes	See Ancillaries list
☐	☒	Special Care Units, if there are additional charges for this type of care, please specify cost difference as well as how those services differ from the services provided in the rest of the program.	No	
☒	☐	Services for persons who are blind	Yes	
☒	☐	Staff who can sign for the deaf	Yes	
☒	☐	Bilingual Services	Yes	
☐	☒	Tube Feeding	No	
☒	☐	Wound Care	No	See Ancillaries list

Are the resident, resident's representative, or family members involved in the service planning process? ☒ Yes ☐ No

Explanation: (optional)
Per resident request

Is the service plan reviewed with the resident, resident's representative, or family members? ☒ Yes ☐ No

Explanation: (optional)
At time of interview or upon request

Who assists with or administers medications? (Check all which apply)
☒ Delegating Nurse/Registered Nurse ☒ Licensed Practical Nurse ☐ Medication Technician ☒ Other (specify): CMA

6) What are the criteria for discharge or transfer?

The following is a list of situations that may necessitate the termination of the resident agreement and the transfer or discharge of a resident from an assisted living program. Consumers are encouraged to inquire about an assisted living program's policies and procedures in the event that a resident must relocate. This list is not all-inclusive and criteria will differ depending upon the assisted living program's ability to provide certain types of care. All transfers and discharges must comply with Maryland regulatory requirements, including notice requirements, and terms of the Resident Agreement.*

Criteria/Factor which may:	Cause (temporary) transfer	Cause (permanent) discharge	Require the use of external resources
Medical condition requiring care exceeding that of which the facility determines it can safely provide	☒	☒	☒
Unacceptable physical, verbal, or sexual behavior	☒	☒	☒
Medication stabilization	☒	☒	☒
Danger to self or others	☒	☒	☒
Inability to toilet	☒	☐	☐
Non-ambulatory	☐	☐	☐
Inability to eat/tube feeding	☒	☒	☒
Must be hand fed	☐	☐	☐
Inability to walk/bedfast	☐	☐	☐
Others:	☐	☐	☐
Mental health issues, specify:	☒	☒	☒
Mobility changes	☒	☒	☒
Needs skilled nursing care	☒	☒	☐
Requires sitters	☐	☐	☐
Medication injections	☒	☐	☐
Behavior management for verbal or physical aggression	☒	☒	☒
Bladder incontinence care	☐	☐	☐
Bowel incontinence care	☐	☐	☐
Intravenous (IV) therapy	☒	☒	☒
Level of care change	☒	☒	☐
Moderate or advanced dementia, specify:	☐	☐	☐
	☐	☐	☐
	☐	☐	☐
	☐	☐	☐
	☐	☐	☐
	☐	☐	☐

*Under Maryland Regulations an assisted living program may not provide services to an individual who at the time of initial admission, as established by the initial assessment, requires: (1) More than intermittent nursing care; (2) Treatment of stage three or stage four skin ulcers; (3) Ventilator services; (4) Skilled monitoring, testing, and aggressive adjustment of medications and treatments where there is the presence of, or risk for, a fluctuating acute condition; (5) Monitoring of a chronic medical condition that is not controllable through readily available medications and treatments; or (6)Treatment for a disease or condition which requires more than contact isolation. Exceptions to the conditions listed above are provided for individuals who are under the care of a licensed general hospice program.

Who makes the resident discharge or transfer decision?

- [x] Assisted Living Manager
- [x] Delegating Nurse
- [x] Registered Nurse
- [x] Other (specify) Social Worker, Interdisciplinary

Do families have input into the discharge or transfer decision? [x] Yes [ ] No

Is there an avenue to appeal the discharge or transfer decision? [x] Yes [ ] No

Explanation:(optional)

Does the assisted living program assist families in making discharge or transfer plans? [x] Yes [ ] No

Explanation:(optional)

7) What are the requirements for staff training?

COMAR requires that assisted living programs provide initial and annual training for the alternate manager and staff in: (a) fire and life safety, including the use of fire extinguishers; (b) infection control, including standard precautions, contact precautions, and hand hygiene; (c) basic food safety; (d) emergency disaster plans; (e) basic first aid by a certified first aid instructor; and (f) cognitive impairment and mental illness training. Staff must have training or experience in: (a) the health and psychosocial needs of the population being served; (b) the resident assessment process; (c) the use of service plans; and (d) resident rights. A sufficient number of staff must also have initial and ongoing training in CPR training from a certified instructor. Consumers are encouraged to talk to the assisted living program manager about sources of staff training and their qualifications.

COMAR requires that assisted living program managers have sufficient skills, training, and experience to serve the residents in a manner that is consistent with the philosophy of assisted living. Managers must have verifiable knowledge in: (a) the health and psychosocial needs of the population being served; (b) the resident assessment process; (c) use of service plans; (d) cuing, coaching, and monitoring residents who self-administer medications with or without assistance; (e) providing assistance with ambulation, personal hygiene, dressing, toileting, and feeding; and (f) resident rights. Managers must receive initial and annual training in: (a) fire and life safety; (b) infection control, including standard precautions; (c) emergency disaster plans; and (d) basic food safety. Managers are required to have initial certification and recertification in: (a) basic first aid by a certified first aid instructor; and (b) basic CPR by a certified CPR instructor.

COMAR requires that assisted living program managers of programs licensed for five beds or more have completed an 80-hour manager's training course. Some managers are exempt from this requirement.

Some assisted living programs may elect to require training for staff, managers, and alternate managers beyond these requirements.
Additional training provided: All covered in annual Relias Trainings

8) What is the assisted living program's staffing pattern?

COMAR requires assisted living programs to develop a staffing plan that includes on-site staff sufficient in number and qualifications to meet the 24-hour scheduled and unscheduled needs of the residents. The delegating nurse, based on the needs of a resident, may issue a nursing order for on-site nursing.

SHIFTS (Enter the hours of each of your facility's shifts)	NUMBER OF STAFF PER SHIFT PER DAY							
	RN	LPN	CNA	Medication Tech.	Activity Workers	Non-Licensed Assistive Personnel	Other Workers	Awake Overnight
7am-3pm	1	0	1	1	1	0	0	0
3pm-11pm	0	0	1	1	0	0	0	0
11pm-7am	0	0	1	0	0	0	0	1

If staff do not work on a per-day basis, indicate the onsite hours per month.

RN	LPN	Physician	Social Worker	Pharmacist
40	0	0	10	4

Explanation:

9) How do I file a complaint?

Under Maryland regulations, assisted living programs are required to have an internal complaint or grievance procedure. An explanation of the assisted living program's internal complaint or grievance procedure must be included in the resident agreement. Consumers should review this information and make sure that they understand how the internal complaint or grievance procedure operates. Consumers should direct any questions about the internal procedure to the assisted living program's manager or administrator.

Consumers may also report concerns or file a complaint regarding an assisted living program to the Office of Health Care Quality. Complaints may be registered over the phone or through the OHCQ Web site. Complaints may be anonymous. For more information regarding filing a complaint, please visit the Office of Health Care Quality's Web site at https://health.maryland.gov/ohcq/Pages/Complaints.aspx or call (410) 402-8217 or 1-877-402-8218.

Maryland Department of Health
Office of Health Care Quality
7120 Samuel Morse Drive
Columbia, Maryland 21**046**
Phone: (410) 402-80**15** Toll Free: 1-877-402-8218
www.health.maryland.gov/ohcq

Exhibit E

Asbury Atlantic, Inc. d/b/a Asbury Solomons Daily/Monthly Rate Schedule Fiscal Years 2021-2025	2021 Rate	2022 Rate	2022 Rate	2023 Rate	2024 Rate	2025 Rate
North Wing Apartments (Monthly Rates)						
The Point	$2,017	$2,096	$2,159	$2,265	$2,356	$2,427
The Meridian	$2,415	$2,509	$2,584	$2,711	$2,819	$2,904
The Overlook*	$2,451	$2,547	$2,623	$2,752	$2,862	$2,948
The Spinnaker*	$2,482	$2,579	$2,656	$2,786	$2,897	$2,984
The Calvert*	$2,514	$2,612	$2,690	$2,822	$2,935	$3,023
The Lighthouse*	$2,758	$2,866	$2,952	$3,097	$3,221	$3,318
The Mainsail*	$2,758	$2,866	$2,952	$3,097	$3,221	$3,318
The Skipjack*	$2,846	$2,957	$3,046	$3,195	$3,323	$3,423
The Vista*	$3,003	$3,120	$3,214	$3,371	$3,506	$3,611
Second Person	$566	$588	$606	$636	$661	$681
Cottages (Monthly Rates)						
The Tidewater*	$2,392	$2,485	$2,560	$2,685	$2,792	$2,876
The Chesapeake*	$2,475	$2,572	$2,649	$2,779	$2,890	$2,977
The Patuxent*	$2,606	$2,708	$2,789	$2,926	$3,043	$3,134
The Islander	$2,745	$2,852	$2,938	$3,082	$3,205	$3,301
The Chesapeake II	$2,475	$2,572	$2,649	$2,779	$2,890	$2,977
The Patuxent II	$2,606	$2,708	$2,789	$2,926	$3,043	$3,134
The Islander II	$2,745	$2,852	$2,938	$3,082	$3,205	$3,301
Second Person	$566	$588	$606	$636	$661	$681
Assisted Living (Daily Rates)**						
Single - Level 1	$240	$249	$256	$269	$280	$288
Single - Level 2	$273	$284	$293	$307	$319	$329
Single - Level 3	$303	$315	$324	$340	$354	$365
Double - Level 1	n/a	n/a	n/a	n/a	n/a	n/a
Double - Level 2	n/a	n/a	n/a	n/a	n/a	n/a
Double - Level 3	n/a	n/a	n/a	n/a	n/a	n/a
Second Person	$119	$124	$128	$134	$139	$143
Skilled Nursing (Daily Rates)**						
Semi-Private	$406	$422	$435	$456	$474	$488
Private	$451	$469	$483	$507	$527	$543
Frequency of Fee Increase	Annual	Semi-Annual	Semi-Annual	Annual	Annual	Annual
Effective Date of Increase	1-Jan	1-Jan	1-Oct	1-Feb	1-Jan	1-Jan

*Riverview units pay a premium on the entrance fee.
**Assisted Living & Skilled Nursing daily rates are the same for internal and external residents.

Asbury Atlantic, Inc. d/b/a Asbury Solomons						
Daily/Monthly Rate Schedule						
Fiscal Years 2021-2025	2021	2022	2022	2023	2024	2025
	Rate	Rate	Rate	Rate	Rate	Rate
South Wing Apartments (Monthly Rates)						
Sandpiper I*	$2,538	$2,637	$2,716	$2,849	$2,963	$3,052
Sandpiper II	$2,558	$2,658	$2,738	$2,872	$2,987	$3,077
Osprey*	$2,748	$2,855	$2,941	$3,085	$3,208	$3,304
Swan*	$2,945	$3,060	$3,152	$3,306	$3,438	$3,541
Swallow I	$2,767	$2,875	$2,961	$3,106	$3,230	$3,327
Egret*	$2,822	$2,932	$3,020	$3,168	$3,295	$3,394
Swallow II*	$2,860	$2,972	$3,061	$3,211	$3,339	$3,439
Heron	$2,987	$3,103	$3,196	$3,353	$3,487	$3,592
Snowy Egret*	$2,956	$3,071	$3,163	$3,318	$3,451	$3,555
Blue Heron*	$3,134	$3,256	$3,354	$3,518	$3,659	$3,769
Second Person	$566	$588	$606	$636	$661	$681
Frequency of Fee Increase	Annual	Semi-Annual	Semi-Annual	Annual	Annual	Annual
Effective Date of Increase	1-Jan	1-Jan	1-Oct	1-Feb	1-Jan	1-Jan
*Riverview units pay a premium on the entrance fee.						

Asbury Atlantic, Inc. d/b/a Asbury Solomons					
Standard Entrance Fees					
Fiscal Years 2021-2025					
	2021 Entrance Fee	2022 Entrance Fee	2023 Entrance Fee	2024 Entrance Fee	2025 Entrance Fee
North Wing Apartments					
The Point	$127,000-$163,000	$131,000-$167,000	$135,000	$139,000	$147,300
The Meridian	$154,000-$202,000	$159,000-$207,000	$176,000	$181,000	$191,900
The Overlook*	$185,000-$221,000	$191,000-$227,000	$197,000	$203,000	$215,200
The Spinnaker*	$197,000-$233,000	$203,000-$239,000	$209,000	$215,000	$227,900
The Calvert*	$228,000-$264,000	$235,000-$271,000	$242,000	$249,000	$263,900
The Lighthouse*	$242,000-$278,000	$249,000-$285,000	$256,000	$264,000	$279,800
The Mainsail*	$238,000-$293,000	$246,000-$301,000	$272,000	$280,000	$296,800
The Skipjack*	$282,000-$319,000	$290,000-$327,000	$299,000	$308,000	$326,500
The Vista*	$361,000-$398,000	$372,000-$409,000	$383,000	$394,000	$417,600
*Riverview premium	premium included in ranges above		$35,000	$35,000	$35,000
Cottages					
The Tidewater*	$283,000-$343,000	$291,000-$352,000	$322,000	$332,000	$371,800
The Chesapeake*	$337,000-$401,000	$347,000-$412,000	$384,000	$396,000	$443,500
The Patuxent*	$413,000-$484,000	$425,000-$497,000	$471,000	$485,000	$543,200
The Islander	$594,000	$612,000	$630,000	$649,000	$726,900
The Chesapeake II	$447,000	$460,000	$474,000	$488,000	$546,600
The Patuxent II	$537,000	$553,000	$570,000	$587,000	$657,400
The Islander II	$624,000	$643,000	$662,000	$682,000	$763,800
*Riverview premium	premium included in ranges above		$45,000	$45,000	$45,000
Assisted Living					
Single	$21,900	$22,721	$24,546	$25,550	$26,280
Double	n/a	n/a	n/a	n/a	n/a
Second Person	$10,859	$11,315	$12,228	$12,684	$13,049
Skilled Nursing					
Semi-Private	$21,900	$22,721	$24,546	$25,550	$26,280
Private	$21,900	$22,721	$24,546	$25,550	$26,280
Frequency of Increases	Annual	Annual	Annual	Annual	Annual
Effective Date of Increases	1-Jan	1-Jan	1-Feb	1-Jan	1-Jan

Asbury Atlantic, Inc. d/b/a Asbury Solomons					
Standard Entrance Fees					
Fiscal Years 2021-2025					
	2021 Entrance Fee	2022 Entrance Fee	2023 Entrance Fee	2024 Entrance Fee	2025 Entrance Fee
South Wing Apartments					
Sandpiper I*	$210,000-$262,000	$217,000-$269,000	$240,000	$247,000	$261,800
Sandpiper II	$229,000	$236,000	$243,000	$250,000	$265,000
Osprey*	$253,000-$309,000	$260,000-$317,000	$288,000	$297,000	$314,800
Swan*	$314,000-$351,000	$323,000-$360,000	$333,000	$343,000	$363,600
Swallow I	$297,000	$306,000	$315,000	$324,000	$343,400
Egret*	$284,000-$341,000	$292,000-$350,000	$323,000	$333,000	$353,000
Swallow II*	$299,000-$335,000	$308,000-$344,000	$317,000	$327,000	$346,600
Heron	$313,000	$322,000	$332,000	$342,000	$362,500
Snowy Egret*	$313,000-$350,000	$322,000-$359,000	$332,000	$342,000	$362,500
Blue Heron*	$330,000-$367,000	$340,000-$377,000	$350,000	$361,000	$382,700
*Riverview premium	premium included in ranges above		$35,000	$35,000	$35,000
Frequency of Increases	Annual	Annual	Annual	Annual	Annual
Effective Date of Increases	1-Jan	1-Jan	1-Feb	1-Jan	1-Jan

Asbury Atlantic, Inc. d/b/a Asbury Solomons					
80% / 90% Refundable Entry Fees*					
Fiscal Years 2021-2025					
**Carefully read the Residency Care Agreement for the conditions that must be satisfied before Asbury Solomons is required to pay the entrance fee refund.*					
	2021 Entrance Fee	2022 Entrance Fee	2023 Entrance Fee	2024 Entrance Fee	2025 Entrance Fee
North Wing Apartments					
The Point	$216,000-$277,000	$223,000-$285,000	$230,000	$236,000	$250,400
The Meridian	$262,000-$343,000	$270,000-$353,000	$299,000	$308,000	$326,200
The Overlook*	$315,000-$376,000	$325,000-$387,000	$335,000	$345,000	$365,800
The Spinnaker*	$335,000-$396,000	$345,000-$408,000	$355,000	$366,000	$387,400
The Calvert*	$388,000-$449,000	$400,000-$462,000	$411,000	$423,000	$448,600
The Lighthouse*	$411,000-$473,000	$423,000-$487,000	$435,000	$449,000	$475,700
The Mainsail*	$405,000-$498,000	$417,000-$513,000	$462,000	$476,000	$504,600
The Skipjack*	$479,000-$542,000	$493,000-$558,000	$508,000	$524,000	$555,100
The Vista*	$614,000-$677,000	$632,000-$697,000	$651,000	$670,000	$709,900
*Riverview premium	premium included in ranges above		$60,000	$60,000	$60,000
Cottages					
The Tidewater*	$481,000-$583,000	$495,000-$600,000	$547,000	$564,000	$632,100
The Chesapeake*	$573,000-$682,000	$590,000-$702,000	$653,000	$673,000	$754,000
The Patuxent*	$702,000-$823,000	$723,000-$848,000	$801,000	$825,000	$923,400
The Islander	$1,010,000	$1,040,000	$1,071,000	$1,103,000	$1,235,700
The Chesapeake II	$760,000	$782,000	$806,000	$830,000	$929,200
The Patuxent II	$913,000	$940,000	$969,000	$998,000	$1,117,600
The Islander II	$ 1,061,000	$ 1,093,000	$1,125,000	$1,159,000	$1,298,500
*Riverview premium	premium included in ranges above		$77,000	$77,000	$77,000
Frequency of Increases	Annual	Annual	Annual	Annual	Annual
Effective Date of Increases	1-Jan	1-Jan	1-Feb	1-Jan	1-Jan

Asbury Atlantic, Inc. d/b/a Asbury Solomons					
80% / 90% Refundable Entry Fees*					
Fiscal Years 2021-2025					
**Carefully read the Residency Care Agreement for the conditions that must be satisfied before Asbury Solomons is required to pay the entrance fee refund.*					
	2021 Entrance Fee	2022 Entrance Fee	2023 Entrance Fee	2024 Entrance Fee	2025 Entrance Fee
South Wing Apartments					
Sandpiper I*	$357,000-$445,000	$368,000-$458,000	$408,000	$420,000	$445,100
Sandpiper II	$389,000	$401,000	$413,000	$425,000	$450,500
Osprey*	$430,000-$525,000	$443,000-$541,000	$490,000	$505,000	$535,200
Swan*	$534,000-$597,000	$549,000-$615,000	$566,000	$583,000	$618,100
Swallow I	$505,000	$520,000	$536,000	$551,000	$583,800
Egret*	$483,000-$580,000	$497,000-$597,000	$549,000	$566,000	$600,100
Swallow II*	$508,000-$570,000	$524,000-$587,000	$539,000	$556,000	$589,200
Heron	$532,000	$547,000	$564,000	$581,000	$616,300
Snowy Egret*	$532,000-$595,000	$547,000-$613,000	$564,000	$581,000	$616,300
Blue Heron*	$561,000-$624,000	$578,000-$643,000	$595,000	$614,000	$650,600
*Riverview premium	premium included in ranges above		$60,000	$60,000	$60,000
Frequency of Increases	Annual	Annual	Annual	Annual	Annual
Effective Date of Increases	1-Jan	1-Jan	1-Feb	1-Jan	1-Jan

Asbury Atlantic, Inc. d/b/a Asbury Solomons						
Five Year Historical Rate Increases						
Fiscal Years 2021-2025						
	Percent Increase 2021	**Percent Increase 2022**	**Percent Increase 2022**	**Percent Increase 2023**	**Percent Increase 2024**	**Percent Increase 2025**
North Wing Apartments						
The Point	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Meridian	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Overlook*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Spinnaker*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Calvert*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Lighthouse*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Mainsail*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Skipjack*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Vista*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
Cottages						
The Tidewater*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Chesapeake*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Patuxent*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Islander	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Chesapeake II	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Patuxent II	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
The Islander II	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
Second Person	3.0%	4.0%	3.0%	5.0%	4.0%	3.0%
Assisted Living						
Single - Level 1	3.0%	4.0%	3.0%	5.0%	4.0%	3.0%
Single - Level 2	3.0%	4.0%	3.0%	5.0%	4.0%	3.0%
Single - Level 3	3.0%	4.0%	3.0%	5.0%	4.0%	3.0%
Double - Level 1	n/a	n/a	n/a	n/a	n/a	n/a
Double - Level 2	n/a	n/a	n/a	n/a	n/a	n/a
Double - Level 3	n/a	n/a	n/a	n/a	n/a	n/a
Skilled Nursing						
Semi-Private	3.0%	3.0%	3.0%	5.0%	4.0%	3.0%
Private	3.0%	3.0%	3.0%	5.0%	4.0%	3.0%
Frequency of Increases	Annual	Semi-Annual	Semi-Annual	Annual	Annual	Annual
Effective Date of Increases	1-Jan	1-Jan	1-Oct	1-Feb	1-Jan	1-Jan

Asbury Atlantic, Inc. d/b/a Asbury Solomons						
Five Year Historical Rate Increases						
Fiscal Years 2021-2025						
	Percent Increase 2021	Percent Increase 2022	Percent Increase 2022	Percent Increase 2023	Percent Increase 2024	Percent Increase 2025
South Wing Apartments						
Sandpiper I*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
Sandpiper II	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
Osprey*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
Swan*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
Swallow I	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
Egret*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
Swallow II*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
Heron	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
Snowy Egret*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
Blue Heron*	2.9%	3.9%	3.0%	4.9%	4.0%	3.0%
Second Person	3.0%	4.0%	3.0%	5.0%	4.0%	3.0%
Frequency of Fee Increase	Annual	Semi-Annual	Semi-Annual	Annual	Annual	Annual
Effective Date of Increase	1-Jan	1-Jan	1-Oct	1-Feb	1-Jan	1-Jan

Asbury Atlantic, Inc. d/b/a Asbury Solomons					
Five Year Historical Entrance Fee Increases					
Fiscal Years 2021-2025					
	Percent Increase 2021	Percent Increase 2022	Percent Increase 2023	Percent Increase 2024	Percent Increase 2025
North Wing Apartments					
The Point	3.0%	3.0%	3.0%	3.0%	6.0%
The Meridian	3.0%	3.0%	3.0%	3.0%	6.0%
The Overlook*	3.0%	3.0%	3.0%	3.0%	6.0%
The Spinnaker*	3.0%	3.0%	3.0%	3.0%	6.0%
The Calvert*	3.0%	3.0%	3.0%	3.0%	6.0%
The Lighthouse*	3.0%	3.0%	3.0%	3.0%	6.0%
The Mainsail*	3.0%	3.0%	3.0%	3.0%	6.0%
The Skipjack*	3.0%	3.0%	3.0%	3.0%	6.0%
The Vista*	3.0%	3.0%	3.0%	3.0%	6.0%
Cottages					
The Tidewater*	3.0%	3.0%	3.0%	3.0%	12.0%
The Chesapeake*	3.0%	3.0%	3.0%	3.0%	12.0%
The Patuxent*	3.0%	3.0%	3.0%	3.0%	12.0%
The Islander	3.0%	3.0%	3.0%	3.0%	12.0%
The Chesapeake II	3.0%	3.0%	3.0%	3.0%	12.0%
The Patuxent II	3.0%	3.0%	3.0%	3.0%	12.0%
The Islander II	3.0%	3.0%	3.0%	3.0%	12.0%
Assisted Living					
Single	3.0%	4.0%	5.0%	4.0%	3.0%
Double	n/a	n/a	n/a	n/a	n/a
Skilled Nursing					
Semi-Private	3.0%	4.0%	5.0%	4.0%	3.0%
Private	3.0%	4.0%	5.0%	4.0%	3.0%
Frequency of Fee Increase	Annual	Semi-Annual	Annual	Annual	Annual
Effective Date of Increase	1-Jan	1-Jan	1-Feb	1-Jan	1-Jan

Asbury Atlantic, Inc. d/b/a Asbury Solomons					
Five Year Historical Entrance Fee Increases					
Fiscal Years 2021-2025					
	Percent Increase 2021	**Percent Increase 2022**	**Percent Increase 2023**	**Percent Increase 2024**	**Percent Increase 2025**
South Wing Apartments					
Sandpiper I*	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**6.0%**
Sandpiper II	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**6.0%**
Osprey*	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**6.0%**
Swan*	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**6.0%**
Swallow I	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**6.0%**
Egret*	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**6.0%**
Swallow II*	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**6.0%**
Heron	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**6.0%**
Snowy Egret*	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**6.0%**
Blue Heron*	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**6.0%**
Frequency of Fee Increase	**Annual**	**Annual**	**Annual**	**Annual**	**Annual**
Effective Date of Increase	**1-Jan**	**1-Jan**	**1-Feb**	**1-Jan**	**1-Jan**

Exhibit F

Asbury Atlantic, Inc. d/b/a Asbury Solomons
Exhibit F: Cash Flow Projections
For the Years Ending 2025-2027

	Cash Flow Projection 2025	Cash Flow Projection 2026	Cash Flow Projection 2027
Cash flows from operating activities:			
Reconciliation of change in net assets to net cash used in operating activities:			
Change in net assets	$ 4,000,000	$ 4,200,000	$ 4,534,000
Adjustments to reconcile change in net assets to net cash used in operating activities:			
Increase in provision for bad debt	30,000	31,000	32,000
Depreciation and amortization	3,925,000	3,864,000	3,959,000
Amortization of deferred financing costs	16,000	16,000	16,000
Amortization of bond premium/discount	(51,000)	(51,000)	(51,000)
Amortization of entry fees	(5,973,000)	(6,170,000)	(6,423,000)
Transfers of capital to AComm	155,000	160,000	166,000
Net increase (decrease) in cash due to changes in:			
Accounts receivable	(41,000)	(45,000)	(47,000)
Prepaids, pledges receivable, other assets	(4,000)	(17,000)	(19,000)
Accounts payable and accrued expenses	13,000	2,000	2,000
Accrued bond interest payable	(9,000)	(18,000)	(19,000)
Net cash provided by (used in) operating activities	2,061,000	1,972,000	2,150,000
Cash flows from investing activities:			
Acquisition of property and equipment, net	(3,260,000)	(2,208,000)	(2,345,000)
Proceeds from sales (purchases) of investments, net	(1,594,000)	(3,629,000)	(3,662,000)
Net cash (used in) provided by investing activities	(4,854,000)	(5,837,000)	(6,007,000)
Cash flows from financing activities:			
Proceeds from entrance and advance fees and deposits	9,942,000	12,136,000	12,376,000
Refunds of advance fees and deposits	(4,774,000)	(6,490,000)	(6,685,000)
Payments on long-term debt	(754,000)	(739,000)	(776,000)
Transfers of capital to AComm	(155,000)	(160,000)	(166,000)
Net cash provided by (used in) financing activities	4,259,000	4,747,000	4,749,000
Net increase (decrease) in cash	1,466,000	882,000	892,000
Cash at beginning of year	15,000	1,481,000	2,363,000
Cash at end of year	$ 1,481,000	$ 2,363,000	$ 3,255,000

Exhibit G

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: DEC 1 2 2006

Person to Contact:
Vaida Singleton
ID# 31-03018
Toll Free Telephone Number:
877-829-5500
Employer Identification Number:
52-0607956

ASBURY ATLANTIC INC
201 RUSSELL AVE
GAITHERSBURG MD 20877-2801

Dear Sir or Madam:

This is in response to the amendments to your organization's Articles of Incorporation filed with the state on September 27, 2006. We have updated our records to reflect the name change as indicated above.

Our records indicate that a determination letter was issued in September 1996, that recognized you as exempt from Federal income tax. Our records further indicate that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(2).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

Cindy Westcott

Cindy Westcott
Manager, Exempt Organizations
Determinations

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: APR 23 1998

Employer Identification Number:
52-1862675
DLN:
17053079793039
Contact Person:
KENNETH B BIBB ID# 31264
Contact Telephone Number:
(877) 829-5500
Our Letter Dated:
September 1996
Addendum Applies:
No

ASBURY-SOLOMONS INC
C/O EDWIN C THOMAS III
201 RUSSELL AVE
GAITHERSBURG, MD 20877-2801

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(2).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(2) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

District Director

Letter 1050 (DO/CG)

Exhibit H

ASBURY ATLANTIC, INC.

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2024 AND 2023

ASBURY ATLANTIC, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Audit Committee
Asbury Atlantic, Inc.
Frederick, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Asbury Atlantic, Inc., which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and changes in net deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asbury Atlantic, Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Asbury Atlantic, Inc. 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 Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Asbury Atlantic, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Audit Committee
Asbury Atlantic, Inc.

Supplementary Information

Our audit were conducted for the purpose of forming an opinion on the financial statements as a whole. The information listed under "Accompanying Information" on the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Timonium, Maryland
April 17, 2025

ASBURY ATLANTIC, INC.
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	$ 8,332,523	$ 6,669,482
Investments	43,484,907	42,559,342
Accounts Receivable	7,835,496	6,752,059
Allowance for Credit Losses	(1,658,188)	(1,261,922)
Other Receivables and Prepaid Expenses	10,862,056	9,721,854
Investments Held under Bond Indenture	9,553,877	9,548,702
Total Current Assets	78,410,671	73,989,517
Due from ACOMM, Net	108,217,175	98,808,634
Property and Equipment, Net	272,973,012	266,376,676
Right-Of-Use Assets - Operating Leases, Net	590,641	1,036,571
Right-Of-Use Assets - Finance Leases, Net	137,178	283,850
Investments Restricted by Donors	16,664,382	14,886,535
Deposits and Other Assets	275,572	388,323
Investments Held under Bond Indenture	16,849,695	22,074,397
Statutory Reserves	28,793,630	27,402,558
Investments Restricted by Board	5,319,953	4,907,792
Beneficial Interest in Net Assets of Foundation	35,166,561	35,036,729
Valuation of Derivative Instruments	2,698,986	2,259,547
Total Assets	$ 566,097,456	$ 547,451,129

See accompanying Notes to Financial Statements.

ASBURY ATLANTIC, INC.
BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2024 AND 2023

	2024	2023
LIABILITIES AND NET DEFICIT		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 1,330,522	$ 1,391,680
Accrued Interest Payable	4,887,748	5,079,674
Obligations under Charitable Gift Annuities	61,303	74,702
Deposits from Prospective Residents	4,600,095	3,730,195
Entrance Fees - Refundable	5,584,436	7,387,527
Deferred Revenue	1,070,408	1,166,738
Current Portion of Lease Liabilities - Operating Leases	413,830	452,092
Current Portion of Lease Liabilities - Finance Leases	76,338	158,540
Current Portion of Long-Term Debt	11,431,357	10,462,276
Total Current Liabilities	29,456,037	29,903,424
Long-Term Lease Liabilities - Operating Leases, Net of Current	176,811	584,479
Long-Term Lease Liabilities - Finance Leases, Net of Current	29,955	96,106
Long-Term Debt, Less Current Portion	230,116,202	234,527,499
Contingent Refundable Entrance Fee Liability	135,549,148	145,811,933
Entrance Fees - Deferred Revenue	194,486,275	186,606,917
Obligations under Charitable Gift Annuities	79,844	116,865
Other Liabilities	1,500,000	1,500,000
Total Liabilities	591,394,272	599,147,223
NET ASSETS (DEFICIT)		
Without Donor Restrictions	(67,812,755)	(94,106,275)
With Donor Restrictions	42,515,939	42,410,181
Total Net Deficit	(25,296,816)	(51,696,094)
Total Liabilities and Net Deficit	$ 566,097,456	$ 547,451,129

See accompanying Notes to Financial Statements.

ASBURY ATLANTIC, INC.
STATEMENTS OF OPERATIONS AND CHANGES IN NET DEFICIT
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
REVENUES, GAINS, AND OTHER SUPPORT		
Resident Services Revenue	$ 153,443,704	$ 146,066,652
Other Operating Revenue	2,436,045	4,921,970
Amortization of Entrance Fees	30,025,130	27,294,242
Interest and Dividend Income, Net	5,826,139	4,534,102
Net Realized Gain (Loss) on Investments	9,633,955	(1,934,387)
Net Unrealized Gain (Loss) on Equity Security Investments	(3,070,610)	8,736,543
Allocations from Asbury Foundation, Inc.	7,952,066	10,033,732
Total Revenues, Gains, and Other Support	206,246,429	199,652,854
EXPENSES		
Salaries	61,866,713	60,198,697
Employee Benefits	13,590,832	13,182,185
Contract Labor	9,030,195	9,783,047
Food Purchases	6,620,006	6,168,814
Medical Supplies and Other Resident Costs	5,148,809	5,085,493
General and Administrative	2,827,225	2,771,048
Building and Maintenance	17,806,853	18,162,559
Professional Fees and Insurance	2,095,322	1,907,838
Interest	10,496,937	10,541,646
Taxes	4,342,667	4,266,786
Provision for Credit Losses	918,067	796,041
Depreciation and Amortization	28,797,143	28,499,904
Service and Other Fees	19,713,418	19,003,218
Total Expenses	183,254,187	180,367,276
INCOME FROM OPERATIONS PRIOR TO NET UNREALIZED GAIN (LOSS) ON CHANGE IN MARKET VALUE OF DERIVATIVE INSTRUMENTS AND GAIN ON DISPOSAL OF ASSETS	22,992,242	19,285,578
Net Unrealized Gain (Loss) on Change in Market Value of Derivative Instruments	439,439	(268,079)
Gain on Disposal of Assets	528,564	4,040,882
INCOME FROM OPERATIONS	23,960,245	23,058,381

See accompanying Notes to Financial Statements.

ASBURY ATLANTIC, INC.
STATEMENTS OF OPERATIONS AND CHANGES IN NET DEFICIT (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
NET DEFICIT WITHOUT DONOR RESTRICTIONS		
Income from Operations	$ 23,960,245	$ 23,058,381
Net Unrealized Gain on Fixed Income Securities and Other Investments	1,078,589	418,030
Net Assets Released from Restrictions Used for Purchase of Capital Items	1,863,186	423,753
Transfers to ACOMM	(608,500)	(647,250)
Net Decrease in Net Deficit Without Donor Restrictions	26,293,520	23,252,914
NET ASSETS WITH DONOR RESTRICTIONS		
Net Assets Released from Restriction Used for Purchase of Capital Items	(1,863,186)	(423,753)
Change in Beneficial Interest in Net Assets of Asbury Foundation, Inc.	1,993,018	2,459,134
Changes in Value of Obligations under Charitable Gift Annuities	(24,074)	(33,424)
Net Increase in Net Assets With Donor Restrictions	105,758	2,001,957
CHANGES IN NET DEFICIT	26,399,278	25,254,871
Net Deficit - Beginning of Year	(51,696,094)	(76,950,965)
NET DEFICIT - END OF YEAR	$ (25,296,816)	$ (51,696,094)

See accompanying Notes to Financial Statements.

ASBURY ATLANTIC, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

		2024		2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Changes in Net Deficit	$	26,399,278	$	25,254,871
Adjustments to Reconcile Changes in Net Deficit to Net Cash Provided by Operating Activities				
Provision for Credit Losses		918,067		796,041
Depreciation and Amortization		28,632,626		28,342,262
Amortization of Deferred Financing Costs		234,025		291,995
Amortization of Bond Premium/Discount		(780,550)		(780,550)
Amortization of Right-of-Use Asset - Finance Leases		164,517		157,642
Amortization of Entrance Fees		(30,025,130)		(27,294,242)
Net Proceeds from Nonrefundable Entrance Fees		38,301,150		39,046,668
Net Unrealized (Gain) Loss on Investments		1,992,021		(9,154,573)
Net Realized (Gain) Loss on Investments		(9,633,955)		1,934,387
Gain on Disposal of Assets		(528,564)		(4,040,882)
Net Unrealized (Gain) Loss on Change in Market Value of Derivative Instruments		(439,439)		268,079
Changes in Beneficial Interest in Net Assets of Foundation		(129,832)		(2,035,381)
Changes in Value of Obligations Under Charitable Gift Annuities		24,074		33,424
Transfers to ACOMM		608,500		647,250
Changes in Assets and Liabilities:				
Accounts Receivable		(1,605,238)		(1,157,444)
Other Receivables and Prepaid Expenses		405,589		(853,763)
Deferred Entrance Fees		(1,545,791)		(1,091,244)
Other Assets		112,751		105,207
Deferred Revenue		(1,871,369)		(330,642)
Accounts Payable and Accrued Expenses		(61,158)		(2,241,716)
Accrued Interest Payable		(191,926)		(362,337)
Net Cash Provided by Operating Activities		50,979,646		47,535,052
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property and Equipment, Net		(34,700,398)		(25,505,053)
Purchases of Investments		(103,134,343)		(46,345,315)
Sales of Investments		107,660,704		45,165,285
Net Cash Used by Investing Activities		(30,174,037)		(26,685,083)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Refundable Entrance Fees and Refundable Deposits		7,321,477		10,245,097
Proceeds from Issuance of Debt		8,029,603		7,055,473
Refunds from Refundable Entrance Fees and Refundable Deposits		(17,139,076)		(20,252,309)
Payments on Debt		(10,923,194)		(9,736,238)
Payments for Deferred Financing Costs		(2,100)		(19,938)
Payments on Finance Leases		(166,198)		(155,403)
Payments on Obligations under Charitable Gift Annuities		(74,494)		(64,484)
Change in Due to ACOMM, Net		(9,408,541)		(22,353,258)
Transfers to ACOMM		(608,500)		(647,250)
Net Cash Used by Financing Activities		(22,971,023)		(35,928,310)
DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		(2,165,414)		(15,078,341)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year		65,695,139		80,773,480
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$	63,529,725	$	65,695,139
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash Paid for Interest	$	11,235,388	$	11,392,538
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES				
Right-of-Use Asset Received in Exchange for Operating Leases	$	313,356	$	4,534
Right-of-Use Asset Received in Exchange for Finance Leases	$	170,154	$	170,895

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

Asbury Atlantic, Inc. (Asbury Atlantic or the Company) is a nonprofit, nonstock corporation organized under the laws of the state of Maryland and is a supported organization of Asbury Communities, Inc. (ACOMM). ACOMM is the sole member of Asbury Atlantic. Asbury Atlantic has operating entities comprised of Asbury Methodist Village (AMV), Asbury Solomons (AS), Bethany Village (BV), and Springhill (SH).

AMV and AS are continuing-care retirement communities (CCRC) located in Gaithersburg, Maryland and Calvert County, Maryland, respectively. BV and SH are CCRCs located in Mechanicsburg, Pennsylvania and Erie, Pennsylvania, respectively. A CCRC consists of independent living, assisted living, and skilled-nursing units. A CCRC provides a continuum of care that includes housing, health care, and other related healthcare and lifestyle services to seniors. Cash transferred from Asbury Atlantic to ACOMM during 2024 and 2023 was not required at Asbury Atlantic to fund daily operations, meet debt covenants, or fulfill regulatory requirements.

ACOMM serves as the supporting organization of Asbury Atlantic; Asbury Communities HCBS, Inc. (HCBS); Bethany Development Corp. (BDC); Albright Care Services (Albright); and Asbury Living, Inc. (Asbury Living). Asbury Living has operating entities comprised of Grace Park (GP) and Ivy Gables (IG). ACOMM is the sole voting stockholder of The Asbury Group, Inc. (TAG). Additionally, ACOMM is the sole member of Asbury Foundation, Inc. (AFOUND).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents, and Restricted Cash

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

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

	2024	2023
Cash	$ 8,332,523	$ 6,669,482
Restricted Cash Included in Current Investments Held under Bond Indenture	9,553,877	9,548,702
Restricted Cash Included in Long-Term Investments Held under Bond Indenture	16,849,695	22,074,397
Restricted Cash Included in Statutory Reserves	28,793,630	27,402,558
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statements of Cash Flows	$ 63,529,725	$ 65,695,139

Accounts Receivable and Allowance for Credit Losses

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

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

Under the Medicare and Medicaid reimbursement and other third-party agreements, amounts collected for services to patients under these agreements are computed at contractually agreed-upon rates. Accounts receivable have been adjusted to reflect the difference between charges and the reimbursable amounts under these third-party contracts. Revenues from Medicare and Medicaid programs and other third-party agreements accounted for approximately 22% and 21% of total resident service revenues for the years ended December 31, 2024 and 2023, respectively.

Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. At December 31, 2024 and 2023, the allowance for estimate of expected credit losses was $1,658,188 and $1,261,922, respectively.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses (Continued)

Changes in the allowance for credit losses for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Balance, Beginning of Year	$ 1,261,922	$ 1,001,045
Provision for Losses	905,822	788,996
Amounts Written Off	(516,368)	(535,164)
Recoveries	6,812	7,045
Balance, End of Year	$ 1,658,188	$ 1,261,922

Investments and Investment Income

Substantially all investments are held in an investment account with ACOMM. 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 the related unrealized gains or losses are recorded above income from operations. The fixed income securities and other types of investments and their related unrealized gains or losses are recorded below income from operations. The investments are managed by the ACOMM board with guidance from external investment advisors. In addition, investments held under bond indenture are high-grade income securities.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Income (Continued)

Investment income or loss from equity securities, mutual funds, bonds, and alternative investments includes Asbury Atlantic's proportional share of 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 the 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 losses and Asbury Atlantic's proportionate share is included in investment income in the accompanying statements of operations and changes in net deficit.

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

Strategies Employed for Achieving Objectives

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

Derivatives Policy – Debt

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Beneficial Interest in Net Assets of Foundation

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

Leases

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

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

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

Property and Equipment

Property and equipment are stated at cost. Donated property and equipment are recorded at fair market value at the date of the gift. Improvements that materially extend the useful lives of the assets are capitalized. General repairs and maintenance costs are expensed as incurred. The Company capitalizes all expenditures for property and equipment costing $5,000 or more and having useful lives greater than two years.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

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 2024 and 2023.

Advertising Expenses

The cost of advertising is expensed when incurred and included within the general and administrative financial statement line item within the statements of operations and changes in net deficit. Advertising expense was $375,332 and $447,869 for the years ended December 31, 2024 and 2023, respectively.

Deposits from Prospective Residents

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

Continuing-Care Contracts

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

Resident Services Revenue

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

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Services Revenue (Continued)

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.

Asbury Atlantic offers four types of resident entrance fee options: 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, Asbury Atlantic offered a one hundred percent (100%) refundable, a ninety percent (90%) refundable, a twenty-five percent (25%) refundable, a SEF that amortized over five (5) years, and a SEF that amortized over nine (9) years.

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 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, 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.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Services Revenue (Continued)

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

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

	2024	2023
Entrance Fees - Refundable	$ 5,584,436	$ 7,387,527
Contingent Refundable Entrance Fees	135,549,148	145,811,933
Entrance Fees - Deferred Revenue:		
25% to 100% Refundable Contracts	7,100,983	6,873,333
Standard Entrance Fee Option Contracts:		
Five-Year Contracts	178,697,148	177,766,802
Nine-Year Contracts	633,668	801,973
Fifty-Month Contracts	6,979,390	-
Nonrefundable	1,075,086	1,164,809
Total Entrance Fees - Deferred Revenue	194,486,275	186,606,917
Total Entrance Fees	$ 335,619,859	$ 339,806,377

Asbury Atlantic records revenue related to resident room and board, which, depending upon 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.

The composition of resident services by primary payor is as follows at December 31:

	2024	2023
Medicaid	$ 16,634,451	$ 16,671,179
Medicare	16,576,722	13,376,630
Managed Care	1,112,669	1,217,549
Private Pay	119,119,862	114,801,294
Total Resident Services Revenue	$ 153,443,704	$ 146,066,652

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Services Revenue (Continued)

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

	2024				
	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Total
Service Lines:					
Skilled Nursing Facility	$ 32,259,475	$ 6,220,644	$ 12,579,599	$ 10,146,546	$ 61,206,264
Assisted Living	15,247,999	2,418,077	9,931,480	2,211,799	29,809,355
Independent Living	32,204,621	11,533,037	11,595,443	6,299,774	61,632,875
Retail Sales	219,733	72,784	262,078	240,615	795,210
Total	$ 79,931,828	$ 20,244,542	$ 34,368,600	$ 18,898,734	$ 153,443,704
Method of Reimbursement:					
Fee for Services	$ 79,712,095	$ 20,171,758	$ 34,106,522	$ 18,658,119	$ 152,648,494
Retail Sales	219,733	72,784	262,078	240,615	795,210
Total	$ 79,931,828	$ 20,244,542	$ 34,368,600	$ 18,898,734	$ 153,443,704
Timing of Revenue and Recognition:					
Health Care Services Transferred Over Time	$ 79,712,095	$ 20,171,758	$ 34,106,522	$ 18,658,119	$ 152,648,494
Sales at Point in Time	219,733	72,784	262,078	240,615	795,210
Total	$ 79,931,828	$ 20,244,542	$ 34,368,600	$ 18,898,734	$ 153,443,704

	2023				
	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Total
Service Lines:					
Skilled Nursing Facility	$ 29,447,831	$ 6,358,212	$ 12,410,592	$ 10,300,369	$ 58,517,004
Assisted Living	13,375,251	2,172,288	9,719,817	2,321,779	27,589,135
Independent Living	31,339,643	10,635,130	11,204,207	6,032,679	59,211,659
Retail Sales	172,959	73,218	273,803	228,874	748,854
Total	$ 74,335,684	$ 19,238,848	$ 33,608,419	$ 18,883,701	$ 146,066,652
Method of Reimbursement:					
Fee for Services	$ 74,162,725	$ 19,165,630	$ 33,334,616	$ 18,654,827	$ 145,317,798
Retail Sales	172,959	73,218	273,803	228,874	748,854
Total	$ 74,335,684	$ 19,238,848	$ 33,608,419	$ 18,883,701	$ 146,066,652
Timing of Revenue and Recognition:					
Health Care Services Transferred Over Time	$ 74,162,725	$ 19,165,630	$ 33,334,616	$ 18,654,827	$ 145,317,798
Sales at Point in Time	172,959	73,218	273,803	228,874	748,854
Total	$ 74,335,684	$ 19,238,848	$ 33,608,419	$ 18,883,701	$ 146,066,652

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract Costs

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

Benevolent Care

Asbury Atlantic's policy is to track those expenses for residents in its facilities who cannot pay for all or a portion of their care and to define these expenses as benevolent care. Because Asbury Atlantic does not pursue collection of amounts determined to qualify as benevolent care, they are not reflected as revenue in the accompanying financial statements. Benevolent care provided to residents for the years ended December 31, 2024 and 2023 was $3,086,426 and $3,495,125, respectively.

Occupancy Percentages

During the years ended December 31, 2024 and 2023, 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:

	2024				2023			
	Bethany Village	Springhill	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Asbury Methodist Village	Asbury Solomons, Inc.
Total Skilled Nursing **Center Occupancy**	**96%**	**92%**	**95%**	**74%**	**96%**	**91%**	**95%**	**81%**
Medicaid	26%	46%	46%	37%	29%	42%	50%	36%
Medicare	8%	3%	29%	15%	7%	3%	23%	10%
Private Pay and Other	66%	51%	25%	48%	64%	55%	27%	54%

Provider Relief Funds

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

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Additionally, the U.S. Department of Homeland Security made available emergency relief grant funds through the Federal Emergency Management Agency (FEMA). Total grant funds approved and received by the Company for the years ended December 31, 2024 and 2023 was $-0- and $3,734,822, respectively. The PRF and FEMA funds are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provider Relief Funds (Continued)

At December 31 2024, the Company reduced other operating revenue by $2,058 and at December 31, 2023 the Company recognized $3,224,321 as other operating revenue in the statements of operations and changes in net deficit. At December 31, 2024 and 2023, the Company recognized $512,559 and $510,501, respectively, as deferred revenue in the balance sheets. The Company believes the amounts have been recognized appropriately as of December 31, 2024 and 2023.

Contributions

Unconditional promises to give cash and other assets to Asbury Atlantic 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 restricted support if they are received with 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, these net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the 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 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. The temporary restricted net assets fulfill donor intent by providing for programs, equipment and other health and educational services based on donor designation.

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 Asbury Atlantic, Inc. The objectives of these net assets are providing long-term growth of capital and maximizing the return on assets over the long-term while diversifying investments within asset classes to reduce the impact of losses in single investments. The income from these net assets can be unrestricted or temporarily restricted based on donor intent to primarily support benevolent care and other services based on donor designation.

Income (Loss) from Operations

The accompanying statements of operations and changes in net deficit include income from operations, which is the Asbury Atlantic's performance indicator. Changes in net deficit without donor restrictions, which are excluded from income (loss) from operations, consistent with industry practice, include unrealized gains and losses on fixed income securities and other investments, net assets released from restriction used for purchase of capital items, and permanent transfers of assets to and from ACOMM for other than goods and services.

Tax Status

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

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

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

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

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

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Additionally, from time to time, the Company may be required to record at fair value other assets on a nonrecurring basis in accordance with accounting principles generally accepted in the United States of America. These adjustments to fair value usually result from the application of the lower-of-cost-or-market accounting or write down of individual assets. The Company has determined that there would be no impact to the accompanying financial statements as a result of the application of this standard. Nonfinancial assets measured at fair value on a nonrecurring basis would include nonfinancial assets and nonfinancial liabilities measured at fair value in the second step of a goodwill impairment test, other real estate owned, and other intangible assets measured at fair value for impairment assessment.

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

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 17, 2025, the date the financial statements were issued.

NOTE 3 LIQUIDITY AND AVAILABILITY

As of December 31, 2024 and 2023, the Company has working capital of $48,954,634 and $44,086,093, respectively.

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

	2024	2023
Cash and Cash Equivalents	$ 8,332,523	$ 6,669,482
Investments	43,484,907	42,559,342
Accounts Receivable, Net	6,177,308	5,490,137
Other Receivables	10,862,056	9,721,854
Investments Held Under Bond Indenture	9,553,877	9,548,702
Total Financial Assets	$ 78,410,671	$ 73,989,517

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Company has certain investments, including the current portion of investments held under bond indenture, which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above. The Company has other assets limited to use for 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. Asbury Atlantic believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegation of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Medicare Reimbursement

The Centers for Medicare and Medicaid Services (CMS) utilize the Patient Driven Payment Model (PDPM) Medicare reimbursement system. Under PDPM, therapy minutes are removed as the primary basis for payment and instead uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

Under PDPM, therapy minutes are removed as the primary basis for payment and instead uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during the resident's length of stay.

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

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Medicare and Medicaid (Continued)

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 consists of three net operating components (resident care, other resident-related, and administrative) and one capital component. The net operating components are based upon 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 home's Pennsylvania Medicaid residents and rebased annually on July 1 of each year. The Company has utilized actual rates in the preparation of the financial statements.

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

Other

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

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Other (Continued)

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Company's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2024 and 2023.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Company estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended December 31, 2024 and 2023. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as credit loss expense.

Pennsylvania Department of Insurance Reserve Requirements

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

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Pennsylvania Department of Insurance Reserve Requirements (Continued)

The statutory minimum liquid reserve requirement for BV as of December 31, 2024 and 2023 is $4,515,860 and $4,019,931, 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:

	2024	2023
Projected Annual Interest Expense	$ 3,693,393	$ 3,773,089
Principal Payments Due on Long-Term Debt	2,803,313	1,982,002
Liquid Reserve Requirement	6,496,706	5,755,091
Projected Annual Operating Expenses	35,572,572	34,531,658
Minimum Rate	10%	10%
Liquid Reserve Requirement	3,557,257	3,453,166
Maximum Liquid Reserve Requirement	6,496,706	5,755,091
Approximate Percentage of Continuing Care Clients	70%	70%
Statutory Minimum Liquid Reserve	$ 4,515,860	$ 4,019,931

The statutory minimum liquid reserve requirement for SH as of December 31, 2024 and 2023 is $1,250,157 and $1,167,558 respectively. The 2024 reserve is based on 10% of the projected annual operating expenses exclusive of depreciation and amortization, and the 2023 reserve is based on the projected annual debt service requirements for SH. The statutory minimum liquid reserve requirement as of December 31 for SH is as follows:

	2024	2023
Projected Annual Interest Expense	$ 1,071,752	$ 1,384,422
Principal Payments Due on Long-Term Debt	814,787	636,624
Liquid Reserve Requirement	1,886,539	2,021,046
Projected Annual Operating Expenses	20,725,422	20,161,198
Minimum Rate	10%	10%
Liquid Reserve Requirement	2,072,542	2,016,120
Maximum Liquid Reserve Requirement	2,072,542	2,021,046
Approximate Percentage of Continuing Care Clients	60%	58%
Statutory Minimum Liquid Reserve	$ 1,250,157	$ 1,167,558

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

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

State of Maryland Statutory Reserves

The state of Maryland requires Asbury Atlantic to set aside reserves equal to 25% of its net operating expenses (as defined) for the most recent fiscal year. As of December 31, 2024 and 2023, AMV and AS are in compliance with the reserve requirement. The total amount reserved for AMV is as follows as of December 31:

	2024	2023
Maryland Department of Aging Reserves:		
Operating Expenses	$ 96,947,950	$ 94,263,625
Less: Depreciation and Amortization Expense	(17,611,664)	(17,465,064)
Interest Expense	(5,169,317)	(4,715,436)
Net Operating Expenses	$ 74,166,969	$ 72,083,125
Total Operating Reserve (25% of Net Operating Expenses)	$ 18,541,742	$ 18,020,781
Required Reserves for the Year Ended December 31 (100% of Total Operating Reserve)	$ 18,541,742	$ 18,020,781
Cash and Marketable Securities Available for Operating Reserve	$ 18,541,742	$ 18,020,781

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

	2024	2023
Maryland Department of Aging Reserves:		
Operating Expenses	$ 22,291,998	$ 20,863,750
Less: Depreciation and Amortization Expense	(3,484,698)	(3,314,933)
Interest Expense	(863,816)	(771,665)
Net Operating Expenses	$ 17,943,484	$ 16,777,152
Total Operating Reserve (25% of Net Operating Expenses)	$ 4,485,871	$ 4,194,288
Required Reserves for the Year Ended December 31 (100% of Total Operating Reserve)	$ 4,485,871	$ 4,194,288
Cash and Marketable Securities Available for Operating Reserve	$ 4,485,871	$ 4,194,288

NOTE 5 CONCENTRATION OF CREDIT RISK

Asbury Atlantic 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 is as follows as of December 31:

	2024	2023
Private Pay	42 %	38 %
Medicaid	23	27
Medicare	21	23
Other (Primarily Managed Care and Insurance)	14	12
Total	100 %	100 %

NOTE 6 INVESTMENTS

Asbury Atlantic's proportional share of the ACOMM investment portfolios, including assets whose use is limited and investments restricted by the board consisted of the following as of December 31:

	2024	2023
Investments:		
Cash and Short-Term Investments	$ 565,304	$ 7,269,623
Fixed-Income Securities and Mutual Funds	12,854,139	11,130,311
Equity Securities and Equity Mutual Funds	29,799,415	16,095,169
Alternative Investments	266,049	8,064,239
Total Investments	$ 43,484,907	$ 42,559,342
Investments Restricted by Donors:		
Cash and Short-Term Investments	$ 115,798	$ 58,600
Fixed-Income Securities and Mutual Funds	5,564,863	4,958,012
Equity Securities and Equity Mutual Funds	10,931,575	9,787,082
Real Estate Mutual Funds	52,146	82,841
Total Investments Restricted by Donors	$ 16,664,382	$ 14,886,535
Investments Held under Bond Indenture:		
Cash and Short-Term Investments	$ 26,403,572	$ 31,623,099
Statutory Reserves:		
Cash and Short-Term Investments	$ 28,793,630	$ 27,402,558
Investments Restricted by Board:		
Cash and Short-Term Investments	$ 69,159	$ 618,252
Fixed-Income Securities and Mutual Funds	1,572,578	1,340,540
Equity Securities and Equity Mutual Funds	3,664,159	2,556,034
Alternative Investments	14,057	392,966
Total Investments Restricted by Board	$ 5,319,953	$ 4,907,792

NOTE 6 INVESTMENTS (CONTINUED)

Investments held under bond indenture are maintained for the following purposes as of December 31:

	2024	2023
Debt Service Fund	$ 10,300,566	$ 10,149,880
Debt Service Reserve Fund	16,103,006	16,103,006
Project Fund	-	5,370,213
Total	26,403,572	31,623,099
Less: Current Portion	(9,553,877)	(9,548,702)
Long-Term Portion of Bond Indenture	$ 16,849,695	$ 22,074,397

The total return on investments, along with investments held under bond indenture, statutory reserves, and investments restricted by, including the change in the market value of derivative instruments, generated net board investment income and earnings for the years ended December 31, 2024 and 2023 as follows:

	2024	2023
Included Within Asbury Atlantic's Performance Indicator:		
Interest and Dividend Income, Net	$ 5,826,139	$ 4,534,102
Net Realized Gain (Loss) on Investments	9,633,955	(1,934,387)
Net Unrealized Gain (Loss) on Equity Security Investments	(3,070,610)	8,736,543
Net Unrealized Gain (Loss) on Change in Market Value of Derivative Instruments	439,439	(268,079)
Total	12,828,923	11,068,179
Included in Other Changes in Net Deficit:		
Net Unrealized Gain on Fixed Income Securities and Other Investments	1,078,589	418,030
Total	$ 13,907,512	$ 11,486,209

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

The Company engages professionals to advise on managing its investment portfolio within guidelines of ACOMM's board-approved investment policy. As the need arises, management reviews its investment portfolio and evaluates whether declines in the fair value of securities should be considered other than temporary. Factored into this evaluation are the general market conditions, the issuer's financial condition and near-term prospects, conditions in the issuer's industry, the recommendation of advisors, and the length of time and extent to which the market value has been less than cost. During the years ended December 31, 2024 and 2023, Asbury Atlantic did not identify any other than temporary declines in the fair value of investments.

NOTE 7 BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION

AFOUND was established to solicit, receive, hold, invest, and reinvest donations and bequests, which are made primarily for the benefit of AMV, AS, SH, BV, and Albright. Asbury Atlantic's beneficial interest in the net assets of AFOUND was $35,166,561 and $35,036,729 as of December 31, 2024 and 2023, respectively. The balance sheets of AFOUND consisted of the following at December 31:

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 15,161	$ 99,380
Pledges Receivable, Net	974,654	602,841
Prepaid Expenses and Other Assets	57,092	45,335
Total Current Assets	1,046,907	747,556
Property and Equipment, Net	80,678	101,746
Investments Restricted by Donor	44,237,078	43,338,780
Pledge Receivable, Net	11,593,802	8,999,782
Long-Term Investments	1,200,000	1,330,000
Funds Held in Trust	2,719,711	3,419,102
Total Assets	$ 60,878,176	$ 57,936,966
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 167,100	$ 47,796
Due to ACOMM, Net	18,227,891	16,914,226
Obligations under Charitable Gift Annuities	4,065,062	3,635,787
Total Liabilities	22,460,053	20,597,809
NET ASSETS		
With Donor Restrictions	38,418,123	37,339,157
Total Net Assets	38,418,123	37,339,157
Total Liabilities and Net Assets	$ 60,878,176	$ 57,936,966

AFOUND's investments, stated at fair value, consist primarily of cash, bonds or bond mutual funds and equity securities or equity mutual funds. Assets held under charitable gift annuities consist of funds contributed to trusts managed by AFOUND, with the stipulation that specified distributions, primarily based on the income generated by the invested funds, be distributed to a life beneficiary specified by the donor. The obligations under charitable gift annuities are based on the net present value of future payments to the beneficiary based on the discount rate that estimates the remaining life of the benefactor. Upon the death of the life beneficiary, the existing funds will be available for use by AMV, AS, SH, BV, and Albright.

NOTE 8 OBLIGATION UNDER CHARITABLE GIFT ANNUITIES

BV is the beneficiary of various charitable gift annuities created by donors, the assets for which are managed by AFOUND. BV has legally enforceable rights on claims to such assets after the donor's or current beneficiary's death. The present value of these obligations, based on the donor's or current beneficiary's life expectancy, is recorded as a permanently restricted net asset.

Obligations related to charitable gift annuities issued by AFOUND and BV 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 restrictions in the statements of operations and changes in net deficit. The present value of the liability is calculated using the five-year United States Treasury Bond rate. This rate was 4.37% and 3.84% at December 31, 2024 and 2023, respectively. Changes in the present value of the accompanying obligation are shown as changes in values of charitable gift annuities in the statements of operations and changes in net deficit.

NOTE 9 PROPERTY AND EQUIPMENT

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

	2024	2023
Land and Improvements	$ 49,396,032	$ 48,606,307
Buildings and Improvements	572,046,371	569,080,180
Furniture and Equipment	64,538,292	63,490,389
Construction in Progress	824,641	712,343
Total	686,805,336	681,889,219
Less: Accumulated Depreciation	(413,832,324)	(415,512,543)
Property and Equipment, Net	$ 272,973,012	$ 266,376,676

Depreciation expense on property and equipment was $28,534,006 and $28,243,642 for the years ended December 31, 2024 and 2023, respectively.

NOTE 10 RELATED PARTY TRANSACTIONS

Due to/from ACOMM

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

- Accrued Salaries and Paid Time Off (PTO) – By utilizing the payroll function, all salaries and withholdings are processed through ACOMM. ACOMM recognizes employee compensation, including salaries and PTO for eligible associates in a cash value plan when the related services are performed. Accrued salaries and PTO are calculated, tracked and recognized as liabilities of ACOMM to the extent that the associates have earned the wages and PTO for each payroll period. These accruals do not affect the cash of the affiliates until paid out to the employees and is not cleared out of the intercompany accounts until paid. The intercompany account then will retain an amount equal to the accumulated value of accrued salaries and unused PTO for each affiliate.

- Deferred Service Fees – From time to time, service fees may be deferred by ACOMM to its affiliates in order to meet bond covenant requirements. These fees can be recouped by ACOMM in subsequent periods when financial performance warrants reducing or eliminating the deferral. The cumulative effect of these deferrals will be included in the affiliate intercompany account. For 2024 and 2023, no service fees were deferred in order to maintain bond covenant compliance.

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

- Cash Management – Entities supported by ACOMM share a common cash management function. Operating cash of the group is swept as needed to accommodate investment of excess cash flow. Operating cash payments, including borrowings and payments of intercompany loans and balances, are made through the same sweep account. At any time, depending upon the timing of receipts, disbursements and other investment activity, members of the group may temporarily overdraw their share of the common operating cash. Cumulative positive cash flow levels will periodically be transferred to more permanent investment vehicles of the respective affiliate's books. The balance of cash and cash equivalents includes Asbury Atlantic's share of the common operating cash and amounts held in their individual checking and savings accounts, money market accounts, and short-term certificates of deposit with original maturities of 90 days or less. Cash balances are principally uninsured and subject to normal credit risk.

NOTE 10 RELATED PARTY TRANSACTIONS (CONTINUED)

Due to/from ACOMM (Continued)

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

AMV and AS have combined as an obligated group for purposes of debt issuance and related obligations. Accordingly, AMV and AS, as an obligated group, are jointly and severally obliged to meet all debt service requirements for the Asbury Maryland Obligated Group. BV and SH have also been combined as on obligated group for purposes of debt issuance and related obligations. Accordingly, BV and SH, as an obligated group, are jointly and severally obliged to meet all debt service requirements for the Asbury Pennsylvania Obligated Group.

Service Fees

Asbury Atlantic received services from ACOMM under a service agreement at a cost of $20,059,880 and $19,471,202 in 2024 and 2023, respectively. Included in the services is an information technology fee. Service fees are allocated to all affiliates based upon a pro rata share of revenues. The payment of service fees to ACOMM is subordinate to all obligations of Asbury Atlantic under all of Asbury Atlantic's secured loan agreements.

Asbury Atlantic has a services agreement with Albright to receive pharmacy services for the benefit of the residents at the BV and SH campuses. Albright submits monthly invoices to Asbury Atlantic for all products and services provided under this agreement on behalf of BV and SH residents. The term of this agreement will continue on an annual basis until termination by either party. The total cost of pharmacy services provided to BV and SH for the years ended December 31, 2024 and 2023 was $295,887 and $305,137, respectively.

Asbury Atlantic has a services agreement with Albright to receive pharmacy services for the benefit of the residents at the AMV and AS campuses. Albright submits monthly invoices to Asbury Atlantic for all products and services provided under this agreement on behalf of AMV and AS residents. The term of this agreement will continue on an annual basis until termination by either party. The total cost of pharmacy services provided to AMV and AS for the years ended December 31, 2024 and 2023 was $1,158,055 and $1,072,168, respectively.

NOTE 11 LONG-TERM DEBT

Long-term debt consisted of the following:

	Interest Rate	Maturity Dates	2024	2023
Series 2022A PA Bonds	Variable Rate Revenue Bonds	2025 - 2037	$ 17,539,084	$ 9,970,397
Series 2022A 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	17,225,000	18,275,000
Series 2019B MD Bonds	Variable Rate Revenue Bonds	2019 - 2027	3,639,000	3,816,000
Series 2019 PA Bonds	Fixed Rate Revenue Bonds	2021 - 2045	51,145,000	53,085,000
Series 2018A MD Bonds	Fixed Rate Revenue Bonds	2023 - 2036	73,390,000	78,070,000
Series 2018B MD Bonds	Fixed Rate Revenue Bonds	2022 - 2027	7,075,000	9,670,000
Subtotal			237,248,084	240,121,397
Unamortized Bond Premium/Discount on Bonds, Net			7,758,643	8,539,194
Unamortized Bond Financing Costs			(3,603,687)	(3,835,611)
Current Portion Bonds Payable			(11,411,100)	(10,442,000)
Total Bonds Payable			229,991,940	234,382,980
Note Payable			144,519	164,795
Current Portion Note Payable			(20,257)	(20,276)
Total Note Payable			124,262	144,519
Total Long-Term Debt			$ 230,116,202	$ 234,527,499

Series 2022A Pennsylvania (PA) Bonds

In July 2022, the PA Obligated Group entered into a loan agreement with Cumberland County Municipal Authority (the Authority) pursuant to which the Authority issued the (Asbury Pennsylvania 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 12 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.

Series 2022 Maryland (MD) Bonds

In May 2022, the 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 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.

NOTE 11 LONG-TERM DEBT (CONTINUED)

Series 2021 Pennsylvania (PA) Bonds

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

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

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

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 12 below.

Series 2019 Maryland (MD) Bonds

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

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.

NOTE 11 LONG-TERM DEBT (CONTINUED)

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 compromised of $82,565,000 of Series 2018A Bonds and $13,555,000 of Series 2018B Bonds. The Series 2018A Bonds bear interest at fixed rates between 4% and 5% and maturities range from January 1, 2023 to January 1, 2036. The Series 2018B Bonds bear interest at a fixed rate of 5.0% and mature on January 1, 2027.

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

Note Payable

In October 2017, the Asbury Maryland Obligated Group entered into a management agreement with Sodexo Operations, LLC (Sodexo). Within this agreement, there is a contract commitment whereas Sodexo shall purchase equipment for the services stated in the management agreement and/or provide renovations in support of the services in an amount not to exceed $7,000,000. Sodexo shall amortize the contract commitment on a straight-line basis over ten years, commencing with the date the equipment is placed in service or when renovation commences, as applicable. The balance of the contract commitment as of December 31, 2024 and 2023 is $144,519 and $164,795, respectively.

NOTE 11 LONG-TERM 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 of deferred financing costs is included in interest expense and totaled $234,025 and $291,995 for the years ended December 31, 2024 and 2023, 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 $780,550 for both the years ended December 31, 2024 and 2023.

Liens and Covenants

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

The Asbury Maryland Obligated Group and the Pennsylvania Obligated Group are subject to various covenants under the bond agreements. These covenants include various reporting financial, and operational requirements. ACOMM has agreed to contribute cash to the Maryland Obligated Group and Pennsylvania Obligated Group under certain circumstances and, if necessary, to meet their debt-service coverage ratio and maintain their minimum days of cash-on-hand ratio. However, ACOMM is not contractually required to contribute cash to the Pennsylvania Obligated Group in an aggregate amount exceeding $3,000,000. As of December 31, 2024, management is not aware of any noncompliance with these covenants.

Debt Maturities

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

Year Ending December 31,	Amount
2025	$ 11,431,357
2026	12,525,697
2027	14,599,919
2028	10,764,954
2029	10,804,222
Thereafter	177,266,454
Total	$ 237,392,603

NOTE 12 DERIVATIVE INSTRUMENTS

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 (secured overnight financing rate) 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.

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 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.

The following is a schedule outlining the terms and fair market values of the derivative instruments on December 31, 2024:

	Series 2019A MD	Series 2019B MD	Series 2021B PA	Series 2022	Total
Notional Amount -					
December 31, 2024	$ -	$ 3,639,000	$ 17,225,000	$ 15,836,492	
Trade Date	11/8/2019	11/8/2019	6/4/2021	7/26/2022	
Effective Date	11/8/2019	11/8/2019	10/4/2021	7/1/2024	
Termination Date	11/1/2023	11/1/2027	6/1/2033	7/1/2036	
Fixed Rate	2.226%	2.309%	1.080%	3.456%	
Fair Value - December 31, 2022	$ 1,314	$ 246,438	$ 1,906,672	$ 373,202	$ 2,527,626
Unrealized Gain (Loss)	(1,314)	(59,102)	(298,337)	90,674	(268,079)
Fair Value - December 31, 2023	-	187,336	1,608,335	463,876	2,259,547
Unrealized Gain (Loss)	-	(32,582)	38,409	433,612	439,439
Fair Value - December 31, 2024	$ -	$ 154,754	$ 1,646,744	$ 897,488	$ 2,698,986

Asbury Atlantic has included the fair market value of derivative instruments as an asset of $2,698,986 and $2,259,547 in the accompanying balance sheets as of December 31, 2024 and 2023, respectively. Net unrealized gain (loss) on derivative instruments were $439,439 and ($268,079) in 2024 and 2023, respectively.

NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were $42,515,939 and $42,410,181 as of December 31, 2024 and 2023, respectively. Included in net assets with donor restrictions are investments to be held in perpetuity totaling $38,077,407 and $36,809,831 as of December 31, 2024 and 2023, respectively. Investment income earned from the net assets with donor restrictions is available for operations of the supported organizations including funding of benevolent care.

A summary of the permanently restricted net assets is as follows:

	2024	2023
Endowment Fund - Beginning of Year	$ 36,809,831	$ 35,325,230
Change in Beneficial Interest in Net Assets of Asbury Foundation, Inc.	1,291,650	1,518,025
Changes in Value of Obligations under Charitable Gift Annuities	(24,074)	(33,424)
Endowment Fund - End of Year	$ 38,077,407	$ 36,809,831

NOTE 14 RETIREMENT PLAN

ACOMM and its affiliates 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. For 2024, the employer match is 100% of employee contributions up to 3% and 50% on the next 2% of contributions for each eligible employee. For January 1 to May 13, 2023, the employer match was 100% of employee contributions up to 4% and 50% on the next 2% of contributions for each eligible employee. For May 14 to December 31, 2023, the employer match was 100% of employee contributions up to 3% and 50% on the next 1% of contributions for each eligible employee. The employer's contribution expense for the years ended December 31, 2024 and 2023 was $1,786,944 and $1,678,589, respectively.

NOTE 15 COMMITMENTS AND CONTINGENCIES

Caring Communities, a Reciprocal Risk Retention Group

ACOMM and its affiliates participate in an insurance risk retention group, Carin 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, 2025.

NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Caring Communities, a Reciprocal Risk Retention Group (Continued)

CCrRRG provides insurance coverage to its members, which are nonprofit, predominantly faith based, senior housing, and healthcare providers. These members include continuing care retirement communities, affordable housing providers, and other organizations that offer a mix of product and services, including independent living, assisted living and skilled nursing. In February 2025, CCrRRG was affirmed as a rating of "A (Excellent)" for its financial strength with a stable outlook by A.M. Best Co., one of the leading rating agencies.

ACOMM executed a subscription agreement and made capital contributions in exchange for an interest in a CCrRRG Charter Capital Account. Through December 31, 2024, ACOMM's capital contributions were $560,508 which represents 1.99% of CCrRRG's total Charter Capital. The percentage of the total Charter Capital may be affected by the future addition of members to CCrRRG.

Health Insurance

ACOMM and its affiliates have a self-funding arrangement for health insurance coverage. ACOMM and affiliates have stop-loss coverage for any claim exceeding $200,000 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 financial position or results of operations.

NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Lease Commitments

Asbury Atlantic leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2029. 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 concerning the Company's leases.

	2024	2023
Lease Costs:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	$ 164,517	$ 157,642
Interest on Lease Liabilities	3,354	6,231
Operating Lease Cost	653,981	1,381,607
Total Lease Cost	$ 821,852	$ 1,545,480
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	$ 3,354	$ 6,231
Operating Cash Flows from Operating Leases	653,981	1,381,607
Financing Cash Flows from Finance Leases	166,198	155,403
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	170,154	170,895
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	313,356	4,534
Weighted-Average Remaining Lease Term - Finance Leases	1.39 Years	1.43 Years
Weighted-Average Remaining Lease Term - Operating Leases	1.63 Years	2.44 Years
Weighted-Average Discount Rate - Finance Leases	2.00%	2.00%
Weighted-Average Discount Rate - Operating Leases	2.00%	2.00%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2024 is as follows:

Year Ending December 31,	Operating Leases	Finance Leases
2025	$ 420,967	$ 77,634
2026	137,143	30,059
2027	37,409	-
2028	2,376	-
2029	1,967	-
Total	599,862	107,693
Less: Interest Expense	(9,221)	(1,400)
Amounts Recognized in the Balance Sheets	$ 590,641	$ 106,293

NOTE 16 FUNCTIONAL EXPENSES

Asbury Atlantic provides continuing and long-term care for seniors. Expenses related to providing these services were as follows as of December 31:

	2024		
	Program Services	Supporting Services	
	Continuing Care Services	Management and General	Total
Salaries and Wages	$ 61,866,713	$ -	$ 61,866,713
Employee Benefits	13,590,832	-	13,590,832
Contract Labor	9,030,195	-	9,030,195
Food Purchases	6,620,006	-	6,620,006
Medical Supplies and Other Resident Costs	5,148,809	-	5,148,809
General and Administrative	-	2,827,225	2,827,225
Building and Maintenance	17,806,853	-	17,806,853
Professional Fees and Insurance	2,095,322	-	2,095,322
Interest	10,496,937	-	10,496,937
Taxes	4,342,667	-	4,342,667
Provision for Credit Losses	918,067	-	918,067
Depreciation and Amortization	28,797,143	-	28,797,143
Service and Other Fees	-	19,713,418	19,713,418
Total Functional Expenses	$ 160,713,544	$ 22,540,643	$ 183,254,187

	2023		
	Program Services	Supporting Services	
	Continuing Care Services	Management and General	Total
Salaries and Wages	$ 60,198,697	$ -	$ 60,198,697
Employee Benefits	13,182,185	-	13,182,185
Contract Labor	9,783,047	-	9,783,047
Food Purchases	6,168,814	-	6,168,814
Medical Supplies and Other Resident Costs	5,085,493	-	5,085,493
General and Administrative	-	2,771,048	2,771,048
Building and Maintenance	18,162,559	-	18,162,559
Professional Fees and Insurance	1,907,838	-	1,907,838
Interest	10,541,646	-	10,541,646
Taxes	4,266,786	-	4,266,786
Provision for Credit Losses	796,041	-	796,041
Depreciation and Amortization	28,499,904	-	28,499,904
Service and Other Fees	-	19,003,218	19,003,218
Allocations to Asbury Foundation, Inc.	-	-	-
Total Functional Expenses	$ 158,593,010	$ 21,774,266	$ 180,367,276

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

NOTE 17 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Investments measured at fair value using net asset value per share include alternative investments. Alternative investments are those not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not readily available. The Company Group 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.

NOTE 17 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following tables set forth by level within the fair value hierarchy Asbury Atlantic'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, 2024 Level 1	Level 2	Level 3	Total
Assets:				
Cash and Short-Term Investments	$ 55,947,463	$ -	$ -	$ 55,947,463
Fixed Income Securities and Mutual Funds	19,991,580	-	-	19,991,580
Equity Securities and Mutual Funds	44,395,149	-	-	44,395,149
Real Estate Mutual Funds	52,146	-	-	52,146
Derivative Instruments		2,698,986		2,698,986
Subtotal	$ 120,386,338	$ 2,698,986	$ -	123,085,324
Investments measured at Fair Value Using Net Asset Value Per Share				280,106
Total				$ 123,365,430

Recurring Fair Value Measures	At Fair Value as of December 31, 2023 Level 1	Level 2	Level 3	Total
Assets:				
Cash and Short-Term Investments	$ 66,972,132	$ -	$ -	$ 66,972,132
Fixed Income Securities and Mutual Funds	17,428,863	-	-	17,428,863
Equity Securities and Mutual Funds	28,438,285	-	-	28,438,285
Real Estate Mutual Funds	82,841	-	-	82,841
Derivative Instruments	-	2,259,547	-	2,259,547
Subtotal	$ 112,922,121	$ 2,259,547	$ -	115,181,668
Investments measured at Fair Value Using Net Asset Value Per Share				8,457,205
Total				$ 123,638,873

The Company has a policy which permits investments in alternative investments that do not have a readily determinable fair value and, as such, uses the NAV per share as calculated on the reporting entity's measurement date as the fair value of the investment. A listing of the investments held by the Company and their attributes that may qualify for these valuations consist of the following as of December 31, 2024:

Investment/Strategy	Fair Value	Unfunded Commitments	Redemption Frequency*	Redemption Notice Period
Pantheon USA Fund VI	$ 30,863	$ 190,415	N/A - illiquid	N/A - illiquid
Pantheon Global Fund III	37,822	158,333	N/A - illiquid	N/A - illiquid
Ironwood International Ltd.	125,317	-	Semi Annually (on anniversary date)	95 calendar days
Partners Group	86,104	-	Quarterly	20 business days
Total	$ 280,106			

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

NOTE 18 SUBSEQUENT EVENTS

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 covert the Chandler operations from a for profit to a nonprofit.

On December 1, 2024, and effective on January 1, 2025, The Asbury Group, Inc. (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 Asbury 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, Inc., 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 Asbury Chandler Estate, LLC as of January 1, 2025.

For the year ended December 31, 2024, Asbury Chandler Estate had total assets and total liabilities of $12,657,230 and $11,016,977, respectively, and total revenues and expenses of $3,407,128 and $3,467,389, respectively.

ASBURY ATLANTIC, INC.
BALANCE SHEET BY LOCATION
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Combining Entries	Asbury Atlantic, Inc.
CURRENT ASSETS						
Cash and Cash Equivalents	$ 5,205,811	$ 14,711	$ 2,342,722	$ 769,279	$ -	$ 8,332,523
Investments	35,329,613	-	7,849,123	306,171	-	43,484,907
Accounts Receivable	4,724,752	545,320	1,167,898	1,397,526	-	7,835,496
Allowance for Credit Losses	(1,110,871)	(45,890)	(100,715)	(400,712)	-	(1,658,188)
Other Receivables and Prepaid Expenses	7,414,063	1,776,610	1,185,880	485,503	-	10,862,056
Investments Held Under Bond Indenture	5,943,202	751,475	2,275,334	583,866	-	9,553,877
Total Current Assets	57,506,570	3,042,226	14,720,242	3,141,633	-	78,410,671
Due from ACOMM, Net	54,722,883	30,929,635	29,102,761	-	(6,538,104)	108,217,175
Property and Equipment, Net	130,940,645	38,617,350	80,179,515	23,235,502	-	272,973,012
Right-of-Use Assets - Operating Leases, Net	249,050	43,645	185,760	112,186	-	590,641
Right-of-Use Assets - Finance Leases, Net	113,960	17,788	-	5,430	-	137,178
Investments Restricted by Donors	-	-	16,664,382	-	-	16,664,382
Deposits and Other Assets	264,361	-	-	11,211	-	275,572
Investments Held Under Bond Indenture	7,683,883	1,301,853	6,242,647	1,621,312	-	16,849,695
Statutory Reserves	18,541,742	4,485,871	4,515,860	1,250,157	-	28,793,630
Investments Restricted by Board	1,420,314	-	3,899,639	-	-	5,319,953
Beneficial Interest in Net Assets of Foundation	20,968,169	4,498,141	8,774,900	925,351	-	35,166,561
Valuation of Derivative Instruments	154,754	-	1,902,191	642,041	-	2,698,986
Total Assets	$ 292,566,331	$ 82,936,509	$ 166,187,897	$ 30,944,823	$ (6,538,104)	$ 566,097,456

ASBURY ATLANTIC, INC.
BALANCE SHEET BY LOCATION (CONTINUED)
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

LIABILITIES AND NET DEFICIT	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Combining Entries	Asbury Atlantic, Inc.
CURRENT LIABILITIES						
Accounts Payable and Accrued Expenses	$ 805,886	$ 39,980	$ 230,923	$ 253,733	$ -	$ 1,330,522
Accrued Interest Payable	2,539,425	402,504	1,527,522	418,297	-	4,887,748
Obligations Under Charitable Gift Annuities	-	-	61,303	-	-	61,303
Deposits from Prospective Residents	2,801,084	343,255	1,229,083	226,673	-	4,600,095
Entrance Fees - Refundable	3,626,096	1,109,637	333,688	515,015	-	5,584,436
Deferred Revenue	268,211	70,800	425,609	305,788	-	1,070,408
Current Portion of Lease Liabilities - Operating Leases	190,338	39,824	116,175	67,493	-	413,830
Current Portion of Lease Liabilities - Finance Leases	62,987	7,813	-	5,538	-	76,338
Current Portion of Long-Term Debt	7,106,779	706,478	2,803,313	814,787	-	11,431,357
Total Current Liabilities	17,400,806	2,720,291	6,727,616	2,607,324	-	29,456,037
Due to ACOMM, Net	-	-	-	6,538,104	(6,538,104)	-
Long-Term Lease Liabilities - Operating Leases, Net of Current	58,712	3,821	69,585	44,693	-	176,811
Long-Term Lease Liabilities - Finance Leases, Net of Current	26,803	3,152	-	-	-	29,955
Long-Term Debt, Less Current Portion	102,348,450	16,078,714	86,279,872	25,409,166	-	230,116,202
Contingent Refundable Entrance Fee Liability	88,783,814	23,456,797	10,006,849	13,301,688	-	135,549,148
Entrance Fees - Deferred Revenue	98,775,104	38,931,112	44,658,264	12,121,795	-	194,486,275
Obligations Under Charitable Gift Annuities	-	-	79,844	-	-	79,844
Other Liabilities	1,500,000	-	-	-	-	1,500,000
Total Liabilities	308,893,689	81,193,887	147,822,030	60,022,770	(6,538,104)	591,394,272
NET ASSETS (DEFICIT)						
Without Donor Restrictions	(37,295,527)	(2,755,519)	2,241,590	(30,003,299)	-	(67,812,755)
With Donor Restrictions	20,968,169	4,498,141	16,124,277	925,352	-	42,515,939
Total Net Deficit	(16,327,358)	1,742,622	18,365,867	(29,077,947)	-	(25,296,816)
Total Liabilities and Net Deficit	$ 292,566,331	$ 82,936,509	$ 166,187,897	$ 30,944,823	$ (6,538,104)	$ 566,097,456

ASBURY ATLANTIC, INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET DEFICIT WITHOUT DONOR RESTRICTIONS BY LOCATION
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Combining Entries	Asbury Atlantic, Inc.
REVENUES, GAINS, AND OTHER SUPPORT						
Resident Services Revenue	$ 79,931,828	$ 20,244,542	$ 34,368,600	$ 18,898,734	$ -	$ 153,443,704
Other Operating Revenue	1,697,400	200,422	436,071	102,152	-	2,436,045
Amortization of Entrance Fees	15,404,548	6,155,617	6,555,776	1,909,189	-	30,025,130
Interest and Dividend Income, Net	3,109,698	731,499	1,761,435	223,507	-	5,826,139
Net Realized Gain on Investments	6,082,889	569,098	2,773,165	208,803	-	9,633,955
Net Unrealized Gain (Loss) on Equity Security Investments	(1,989,521)	(165,021)	(957,857)	41,789	-	(3,070,610)
Allocations from Asbury Foundation, Inc.	4,462,433	1,104,167	1,862,592	522,874		7,952,066
Total Revenues, Gains, and Other Support	108,699,275	28,840,324	46,799,782	21,907,048	-	206,246,429
EXPENSES						
Salaries	33,296,815	7,285,998	12,236,975	9,046,925	-	61,866,713
Employee Benefits	7,023,912	1,340,356	3,491,536	1,735,028	-	13,590,832
Contract Labor	3,725,932	1,383,264	2,520,973	1,400,026	-	9,030,195
Food Purchases	3,687,204	1,024,718	1,142,251	765,833	-	6,620,006
Medical Supplies and Other Resident Costs	2,870,820	614,129	1,047,863	615,997	-	5,148,809
General and Administrative	1,274,493	485,857	622,802	444,073	-	2,827,225
Building and Maintenance	9,123,295	2,464,997	4,300,114	1,918,447	-	17,806,853
Professional Fees and Insurance	1,032,807	272,946	501,996	287,573	-	2,095,322
Interest	4,862,440	783,697	3,771,257	1,079,543	-	10,496,937
Taxes	2,284,665	739,598	1,104,947	213,457	-	4,342,667
Provision for Credit Losses	835,072	40,484	101,877	(59,366)	-	918,067
Depreciation and Amortization	17,238,386	3,689,774	5,619,369	2,249,614	-	28,797,143
Service and Other Fees	11,008,741	2,751,305	3,733,962	2,219,410	-	19,713,418
Total Expenses	98,264,582	22,877,123	40,195,922	21,916,560	-	183,254,187
INCOME (LOSS) FROM OPERATIONS PRIOR TO NET UNREALIZED GAIN (LOSS) ON CHANGE IN MARKET VALUE OF DERIVATIVE INSTRUMENTS AND GAIN ON DISPOSAL OF ASSETS	10,434,693	5,963,201	6,603,860	(9,512)	-	22,992,242

ASBURY ATLANTIC, INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET DEFICIT WITHOUT DONOR RESTRICTIONS BY LOCATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Combining Entries	Asbury Atlantic, Inc.
Income (Loss) from Operations Prior to Net Unrealized Gain (Loss) on Change in Market Value of Derivative Instruments and Gain on Disposal of Assets	$ 10,434,693	$ 5,963,201	$ 6,603,860	$ (9,512)	$ -	$ 22,992,242
Net Unrealized Gain (Loss) on Change in Market Value of Derivative Instruments	(32,582)	-	439,732	32,289	-	439,439
Gain on Disposal of Assets	528,564	-	-	-	-	528,564
INCOME FROM OPERATIONS	10,930,675	5,963,201	7,043,592	22,777	-	23,960,245
NET DEFICIT WITHOUT DONOR RESTRICTIONS						
Net Unrealized Gain on Fixed Income Securities and Other Investments	110,891	9,407	951,776	6,515	-	1,078,589
Net Assets Released from Restrictions Used for Purchase of Capital Items	387,363	10,264	1,441,108	24,451	-	1,863,186
Transfers to ACOMM	(375,000)	-	(183,000)	(50,500)	-	(608,500)
NET DECREASE IN NET DEFICIT WITHOUT DONOR RESTRICTIONS	$ 11,053,929	$ 5,982,872	$ 9,253,476	$ 3,243	$ -	$ 26,293,520

ASBURY ATLANTIC, INC.
STATEMENT OF CASH FLOWS BY LOCATION
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Asbury Atlantic, Inc.
CASH FLOWS FROM OPERATING ACTIVITIES					
Changes in Net Assets (Deficit)	$ 11,148,708	$ 6,742,772	$ 8,274,503	$ 233,295	$ 26,399,278
Adjustments to Reconcile Changes in Net Assets (Deficit) to Net Cash Provided by Operating Activities:					
Provision for Credit Losses	835,072	40,484	101,877	(59,366)	918,067
Depreciation and Amortization of Deferred Marketing Costs	17,096,633	3,672,831	5,619,369	2,243,793	28,632,626
Amortization of Deferred Financing Costs	111,332	16,099	87,439	19,155	234,025
Amortization of Bond Premium/Discount	(514,893)	(50,660)	(169,694)	(45,303)	(780,550)
Amortization of ROU Asset	141,753	16,943	-	5,821	164,517
Amortization of Entrance Fees	(15,404,548)	(6,155,617)	(6,555,776)	(1,909,189)	(30,025,130)
Net Proceeds from Nonrefundable Entrance Fees	19,740,211	8,842,759	5,865,844	3,852,336	38,301,150
Net Unrealized (Gain) Loss on Investments	1,878,630	155,614	6,081	(48,304)	1,992,021
Net Realized Gain on Investments	(6,082,889)	(569,098)	(2,773,165)	(208,803)	(9,633,955)
Gain on Disposal of Assets	(528,564)	-	-	-	(528,564)
Net Unrealized (Gain) Loss on Change in Market Value of Derivative Instruments	32,582	-	(439,732)	(32,289)	(439,439)
Changes in Beneficial Interest in Net Assets of Foundation	(94,779)	(759,900)	954,899	(230,052)	(129,832)
Transfers to ACOMM	375,000	-	183,000	50,500	608,500
Changes in Value of Obligations under Charitable Gift Annuities	-	-	24,074	-	24,074
Changes in Assets and Liabilities:					
Accounts Receivable	(968,611)	(194,435)	(326,233)	(115,959)	(1,605,238)
Other Receivables and Prepaid Expenses	(259,165)	687,083	(62,795)	40,466	405,589
Deferred Entrance Fees	(2,521,085)	470,654	621,220	(116,580)	(1,545,791)
Other Assets	114,453	-	-	(1,702)	112,751
Deferred Revenue	(2,117,803)	8,855	59,420	178,159	(1,871,369)
Accounts Payable and Accrued Expenses	(177,737)	(6,751)	66,699	56,631	(61,158)
Accrued Interest Payable	(150,327)	(14,391)	(12,281)	(14,927)	(191,926)
Net Cash Provided by Operating Activities	22,653,973	12,903,242	11,524,749	3,897,682	50,979,646

ASBURY ATLANTIC, INC.
STATEMENT OF CASH FLOWS BY LOCATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Methodist Village	Asbury Solomons, Inc.	Bethany Village	Springhill	Asbury Atlantic, Inc.
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property and Equipment, Net	$ (13,216,241)	$ (3,575,936)	$ (10,672,883)	$ (7,235,338)	$ (34,700,398)
Purchases of Investments	(71,521,877)	(5,685,841)	(23,917,986)	(2,008,639)	(103,134,343)
Sales of Investments	73,801,685	6,487,688	24,952,204	2,419,127	107,660,704
Net Cash Used by Investing Activities	(10,936,433)	(2,774,089)	(9,638,665)	(6,824,850)	(30,174,037)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from Refundable Entrance Fees and Refundable Deposits	3,381,900	2,263,353	593,724	1,082,500	7,321,477
Refunds from Refundable Entrance Fees and Refundable Deposits	(9,492,344)	(3,270,811)	(2,380,587)	(1,995,334)	(17,139,076)
Proceeds from Issuance of Debt	-	-	5,746,991	2,282,612	8,029,603
Payments on Debt	(6,795,447)	(676,831)	(2,678,275)	(772,641)	(10,923,194)
Payments for Deferred Financing Costs	(2,100)	-	(70,427)	70,427	(2,100)
Payments on Obligations Under Deferred-Giving Arrangements	-	-	(74,494)	-	(74,494)
Payments on Finance Leases	(143,495)	(16,878)	-	(5,825)	(166,198)
Change in Due to ACOMM, Net	(1,972,552)	(8,107,456)	(1,733,095)	2,404,562	(9,408,541)
Transfers to ACOMM	(375,000)	-	(183,000)	(50,500)	(608,500)
Net Cash Provided (Used) by Financing Activities	(15,399,038)	(9,808,623)	(779,163)	3,015,801	(22,971,023)
INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(3,681,498)	320,530	1,106,921	88,633	(2,165,414)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	41,056,136	6,233,380	14,269,642	4,135,981	65,695,139
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 37,374,638	$ 6,553,910	$ 15,376,563	$ 4,224,614	$ 63,529,725

MARYLAND OBLIGATED GROUP OF ASBURY ATLANTIC, INC.

COMBINED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

YEARS ENDED DECEMBER 31, 2024 AND 2023

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YEARS ENDED DECEMBER 31, 2024 AND 2023

INDEPENDENT AUDITORS' REPORT

Audit Committee
Maryland Obligated Group of Asbury Atlantic, Inc.
Frederick, Maryland

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of the Maryland Obligated Group of Asbury Atlantic, Inc. (the Obligated Group), which comprise the combined balance sheets as of December 31, 2024 and 2023, and the related combined statements of operations and changes in net deficit and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Obligated Group as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Obligated Group 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Obligated Group's ability to continue as a going concern for one year after the date the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Obligated Group's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Obligated Group's ability to continue as a going concern for a reasonable period of time.

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

Audit Committee
Maryland Obligated Group of Asbury Atlantic, Inc.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The other financial information included in the combining balance sheet and the combining statement of operations and changes in net deficit without donor restrictions is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Timonium, Maryland
April 17, 2025

MARYLAND OBLIGATED GROUP OF ASBURY ATLANTIC, INC.
COMBINED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 5,220,522	$ 4,227,312
Investments	35,329,613	33,793,525
Accounts Receivable	5,270,072	4,488,753
Allowance for Credit Losses	(1,156,761)	(662,932)
Other Receivables and Prepaid Expenses	9,190,673	7,568,160
Investments Held under Bond Indenture	6,694,677	6,694,065
Total Current Assets	60,548,796	56,108,883
Due from ACOMM, Net	85,652,518	75,572,510
Property, Plant, and Equipment, Net	169,557,995	173,006,718
Right-of-Use Assets - Operating Leases, Net	292,695	537,855
Right-of-Use Assets - Finance Leases, Net	131,748	272,600
Deposits and Other Assets	264,361	378,814
Investments Held under Bond Indenture	8,985,736	14,153,070
Statutory Reserves	23,027,613	22,215,069
Investments Restricted by Board	1,420,314	1,420,314
Beneficial Interest in Net Assets of the Asbury Foundation, Inc.	25,466,310	24,611,631
Valuation of Derivative Instruments	154,754	187,336
Total Assets	$ 375,502,840	$ 368,464,800

See accompanying Notes to Combined Financial Statements.

MARYLAND OBLIGATED GROUP OF ASBURY ATLANTIC, INC.
COMBINED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2024 AND 2023

	2024	2023
LIABILITIES AND NET DEFICIT		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 845,866	$ 1,030,354
Accrued Interest Payable	2,941,929	3,106,647
Deposits from Prospective Residents	3,144,339	2,574,600
Entrance Fees - Refundable	4,735,733	6,682,413
Deferred Revenue	339,011	529,331
Current Portion of Lease Liabilities - Operating Leases	230,162	245,160
Current Portion of Lease Liabilities - Finance Leases	70,800	152,716
Current Portion of Long-Term Debt	7,813,257	7,472,276
Total Current Liabilities	20,121,097	21,793,497
Long-Term Lease Liabilities - Operating Leases, Net of Current	62,533	292,695
Long-Term Lease Liabilities - Finance Leases, Net of Current	29,955	90,568
Long-Term Debt, Less Current Portion	118,427,164	126,680,645
Contingent Refundable Entrance Fee Liability	112,240,611	119,727,287
Entrance Fees - Deferred Revenue	137,706,216	130,856,324
Other Liabilities	1,500,000	1,500,000
Total Liabilities	390,087,576	400,941,016
NET ASSETS (DEFICIT)		
Without Donor Restrictions	(40,051,046)	(57,087,847)
With Donor Restrictions	25,466,310	24,611,631
Total Net Deficit	(14,584,736)	(32,476,216)
Total Liabilities and Net Deficit	$ 375,502,840	$ 368,464,800

See accompanying Notes to Combined Financial Statements.

MARYLAND OBLIGATED GROUP OF ASBURY ATLANTIC, INC.
COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET DEFICIT
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
REVENUES, GAINS, AND OTHER SUPPORT		
Resident Services Revenue	$ 100,176,370	$ 93,574,532
Other Operating Revenue	1,897,822	1,914,860
Amortization of Entrance Fees	21,560,165	19,449,505
Interest and Dividend Income, Net	3,841,197	3,064,697
Net Realized Gain (Loss) on Investments	6,651,987	(1,720,099)
Net Unrealized Gain (Loss) on Equity Security Investments	(2,154,542)	6,108,487
Allocations from Asbury Foundation, Inc.	5,566,600	6,309,747
Total Revenues, Gains, and Other Support	137,539,599	128,701,729
EXPENSES		
Salaries	40,582,813	39,832,356
Employee Benefits	8,364,268	8,163,941
Contract Labor	5,109,196	4,819,666
Food Purchases	4,711,922	4,463,775
Medical Supplies and Other Resident Costs	3,484,949	3,411,616
General and Administrative	1,760,350	1,615,445
Building and Maintenance	11,588,292	11,769,853
Professional Fees and Insurance	1,305,753	1,280,734
Interest	5,646,137	6,033,133
Taxes	3,024,263	3,027,075
Provision for Credit Losses	875,556	363,285
Depreciation and Amortization	20,928,160	21,096,362
Service and Other Fees	13,760,046	13,362,707
Total Expenses	121,141,705	119,239,948
INCOME FROM OPERATIONS PRIOR TO NET UNREALIZED LOSS ON CHANGE IN MARKET VALUE OF DERIVATIVE INSTRUMENTS AND GAIN (LOSS) ON DISPOSAL OF ASSETS	16,397,894	9,461,781
Net Unrealized Loss on Change in Market Value of Derivative Instruments	(32,582)	(60,416)
Gain (Loss) on Disposal of Assets	528,564	(51,386)
INCOME FROM OPERATIONS	16,893,876	9,349,979

See accompanying Notes to Combined Financial Statements.

MARYLAND OBLIGATED GROUP OF ASBURY ATLANTIC, INC.
COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET DEFICIT (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
NET DEFICIT WITHOUT DONOR RESTRICTIONS		
Income from Operations	$ 16,893,876	$ 9,349,979
Transfers to ACOMM	(375,000)	(413,750)
Net Unrealized Gain on Fixed Income Securities and Other Investments	120,298	310,596
Net Assets Released from Restrictions Used for Purchase of Capital Items	397,627	138,772
Net Decrease in Net Deficit Without Donor Restrictions	17,036,801	9,385,597
NET ASSETS WITH DONOR RESTRICTIONS		
Net Assets Released from Restrictions Used for Purchase of Capital Items	(397,627)	(138,772)
Change in Beneficial Interest in Net Assets of Asbury Foundation, Inc.	1,252,306	773,313
Net Increase in Net Assets With Donor Restrictions	854,679	634,541
CHANGES IN NET DEFICIT	17,891,480	10,020,138
Net Deficit - Beginning of Year	(32,476,216)	(42,496,354)
NET DEFICIT - END OF YEAR	$ (14,584,736)	$ (32,476,216)

See accompanying Notes to Combined Financial Statements.

MARYLAND OBLIGATED GROUP OF ASBURY ATLANTIC, INC.
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Deficit	$ 17,891,480	$ 10,020,138
Adjustments to Reconcile Changes in Net Deficit to Net Cash Provided by Operating Activities:		
Provision for Credit Losses	875,556	363,285
Depreciation and Amortization	20,769,464	20,944,541
Amortization of Bond Premium/Discount	(565,553)	(565,553)
Amortization of Deferred Bond Financing Costs	127,431	185,440
Amortization of Right-of-Use Asset - Finance Leases	158,696	151,821
Amortization of Entrance Fees	(21,560,165)	(19,449,505)
Net Proceeds from Nonrefundable Entrance Fees	28,582,970	26,209,491
Net Unrealized (Gain) Loss on Investments	2,034,244	(6,419,083)
Net Realized (Gain) Loss on Investments	(6,651,987)	1,720,099
Net Unrealized Loss on Change in Market Value of Derivative Instruments	32,582	60,416
(Gain) Loss on Disposal of Assets	(528,564)	51,386
Changes in Beneficial Interest in Net Assets of Foundation	(854,679)	(634,541)
Transfers to ACOMM	375,000	413,750
Changes in Assets and Liabilities:		
Accounts Receivable	(1,163,046)	(665,154)
Other Receivables and Prepaid Expenses	427,918	(1,012,965)
Deferred Entrance Fees	(2,050,431)	(501,684)
Other Assets	114,453	103,711
Deferred Revenue	(2,108,948)	(673,807)
Accounts Payable and Accrued Expenses	(184,488)	(1,866,862)
Accrued Interest Payable	(164,718)	(370,065)
Net Cash Provided by Operating Activities	35,557,215	28,064,859
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment, Net	(16,792,177)	(21,342,866)
Purchases of Investments	(77,207,718)	(35,107,142)
Sales of Investments	80,289,373	39,075,245
Net Cash Used by Investing Activities	(13,710,522)	(17,374,763)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Refundable Entrance Fees and Refundable Deposits	5,645,253	8,923,590
Refunds from Refundable Entrance Fees and Refundable Deposits	(12,763,155)	(16,719,998)
Payments on Debt	(7,472,278)	(6,871,238)
Payments for Deferred Financing Cost	(2,100)	(17,638)
Payments on Finance Leases	(160,373)	(149,694)
Change in Due to ACOMM, Net	(10,080,008)	(8,991,669)
Transfers to ACOMM	(375,000)	(413,750)
Net Cash Used by Financing Activities	(25,207,661)	(24,240,397)
DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(3,360,968)	(13,550,301)
Cash and Cash Equivalents and Restricted Cash - Beginning of Year	47,289,516	60,839,817
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 43,928,548	$ 47,289,516
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 6,248,977	$ 6,783,311
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Right-of-Use Asset Received in Exchange for Operating Leases	$ -	$ 8,522
Right-of-Use Asset Received in Exchange for Finance Leases	$ 170,154	$ 153,824

See accompanying Notes to Combined Financial Statements.

NOTE 1 ORGANIZATION

The Maryland Obligated Group of Asbury Atlantic, Inc. (the Obligated Group) consists of Asbury Methodist Village (AMV) and Asbury Solomons (AS), which are operating entities of Asbury Atlantic, Inc. (Asbury Atlantic). Asbury Atlantic is a nonprofit, nonstock corporation organized under the laws of the state of Maryland and is a supported organization of Asbury Communities, Inc. (ACOMM). ACOMM is the sole member of Asbury Atlantic.

AMV and AS are located in Gaithersburg, Montgomery County, Maryland and Solomons, Calvert County, Maryland, respectively. AMV and AS are continuing-care retirement communities (CCRC). A CCRC consists of independent living, assisted living, and skilled-nursing units. A CCRC provides a continuum of care that includes housing, health care, and other related healthcare and lifestyle services to seniors.

Any cash transferred from Asbury Atlantic to ACOMM during 2024 and 2023 should be deemed to be not required for operations, debt covenants, or regulatory requirements.

ACOMM serves as the supporting organization of Asbury Atlantic; Asbury Communities HCBS, Inc. (HCBS); Bethany Development Corporation (BDC); Albright Care Services (Albright); and Asbury Living, Inc. (Asbury Living). Asbury Atlantic has operating affiliates comprised of AMV, AS, Bethany Village (BV), and Springhill (SH). Asbury Living has operating affiliates comprised of Grace Park (GP) and Ivy Gables (IG). ACOMM is the sole voting stockholder of The Asbury Group, Inc. Additionally, ACOMM is the sole member of Asbury Foundation, Inc. (AFOUND).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

AMV and AS are members of an obligated group acting as co-obligors on certain long-term debt. The accompanying combined financial statements include the accounts of AMV and AS. All significant intercompany transactions have been eliminated in the combined financial statements.

Use of Estimates

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

Cash, Cash Equivalents, and Restricted Cash

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents, and Restricted Cash (Continued)

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

	2024	2023
Cash	$ 5,220,522	$ 4,227,312
Restricted Cash Included in Current Investments Held Under Bond Indenture	6,694,677	6,694,065
Restricted Cash Included in Long-Term Investments Held Under Bond Indenture	8,985,736	14,153,070
Restricted Cash Included in Statutory Reserves	23,027,613	22,215,069
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statements of Cash Flows	$ 43,928,548	$ 47,289,516

Accounts Receivable and Allowance for Credit Losses

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

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

Under Medicare and Medicaid reimbursement and other third-party agreements, amounts collected for services to patients under these agreements are computed at contractually agreed-upon rates. Accounts receivable have been adjusted to reflect the difference between charges and the reimbursable amounts under these third-party contracts. Revenues from Medicare and Medicaid programs and other third-party agreements accounted for approximately 26% and 24% of total resident services revenues for the years ended December 31, 2024 and 2023, respectively.

Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. At December 31, 2024 and 2023, the allowance for estimate of expected credit losses was $1,156,761 and $662,932, respectively.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses

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

	2024	2023
Balance, Beginning of Year	$ 662,932	$ 769,512
Provision for Losses	864,145	358,316
Amounts Written Off	(376,294)	(469,864)
Recoveries	5,978	4,968
Balance, End of Year	$ 1,156,761	$ 662,932

Investments and Investment Income

Substantially all investments are held in an investment account with ACOMM. 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 the related unrealized gains or losses are recorded above income from operations. The fixed income securities and other types of investments and their related unrealized gains or losses are recorded below income from operations. The investments are managed by the ACOMM board with guidance from external investment advisors. In addition, investments held under bond indenture with trustees are high-grade income securities.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Income (Continued)

Investment income or loss from equity securities, mutual funds, bonds, and alternative investments includes the Obligated Group's proportional share of 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 from operations. Investment income or loss is included in income from operations unless restricted by donor or law. Unrealized gains and losses on fixed income securities and other investments with readily determinable market values are excluded from income from operations unless the losses are deemed to be other-than-temporary.

As the need arises, the Obligated Group 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 Obligated Group 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 combined statements of operations and changes in net deficit.

The investment policy of the Obligated Group 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 Obligated Group and other requirements specified under the terms of its financing agreements.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Obligated Group 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 Obligated Group believes that this investment strategy meets the Obligated Group'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 Obligated Group continues to meet its objectives, the Obligated Group has established rebalancing guidelines and established mechanisms for ongoing monitoring of performance and risk.

Derivatives Policy – Debt

The Obligated Group manages some of its exposure to interest rate volatility through use of interest rate swap contracts. These contracts qualify as derivative financial instruments. The book values of the derivative instruments are adjusted to their estimated fair values at each balance sheet date. The Obligated Group has determined that, for continuing operations, the 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 Obligated Group's performance indicator, income from operations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments Restricted by the Board

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

Beneficial Interest in Net Assets of Foundation

The Obligated Group records an interest in the net assets of AFOUND resulting from contributions with donor restrictions that are solicited and held by AFOUND to be used for the benefit of the Obligated Group based on donor designation and intent.

Leases

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

ROU assets represent the Obligated Group's right to use an underlying asset for the lease term and lease liabilities represent the Obligated Group'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 Obligated Group will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Obligated Group 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 Obligated Group 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

The Obligated Group 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 2024 and 2023

Advertising Expenses

The cost of advertising is expensed when incurred and included within the general and administrative financial statement line item within the combined statements of operations and changes in net deficit. Advertising expense was $234,282 and $228,977 for the years ended December 31, 2024 and 2023, respectively.

Deposits from Prospective Residents

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

Continuing Care Contracts

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

Resident Services Revenue

Resident services revenue is reported at the amount that reflects the consideration to which the Obligated Group 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 Obligated Group 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 Obligated Group. Revenue for performance obligations satisfied over time is recognized based on actual charges. The Obligated Group 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 Obligated Group 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 Obligated Group does not believe it is required to provide additional goods or services related to that sale.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Services Revenue (Continued)

The Obligated Group 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 Obligated Group's policy and/or implicit price concessions provided to residents. The Obligated Group determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience. The Obligated Group determines its estimate of implicit price concessions based on its historical collection experience.

The Obligated Group offers three types of resident entrance fee options: a standard entrance fee (SEF) that amortizes over fifty (50) months, an eighty percent (80%) refundable entrance fee, and a nonrefundable entrance fee (NREF). Previously, a one hundred percent (100%) refundable, a ninety percent (90%) refundable, and a SEF that amortized over five (5) years options were offered.

Under the current SEF that amortizes over fifty (50) months, the refund balance declines 2% per month over the fifty-month period. Under the prior SEF that amortizes over five (5) years, the refund balance declines 1.667% per month over the five-year period. After the fifty-month and five-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, residents 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.

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).

Refundable entrance fees are recorded as a liability in the accompanying balance sheets as current liabilities. Remaining life expectancies are determined based on actuarial data specific to CCRC residents. Upon termination of a contract through death or withdrawal from the Obligated Group 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 amounts 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 the 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 termination of occupancy and reoccupancy by a subsequent resident. Entrance fees – deferred revenue represents the unamortized portion of the nonrefundable entrance fees.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Services Revenue (Continued)

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

	2024	2023
Entrance Fees - Refundable	$ 4,735,733	$ 6,682,413
Contingent Refundable Entrance Fee Liability	112,240,611	119,727,287
Entrance Fees - Deferred Revenue:		
80% to 100% Refundable Contracts	5,439,580	5,451,629
Standard Entrance Fee Option Contracts:		
Five-Year Contracts	125,979,783	124,817,935
Fifty-Month Contracts	5,691,377	-
Nonrefundable Contracts	595,476	586,760
Total	137,706,216	130,856,324
Total Entrance Fees	$ 254,682,560	$ 257,266,024

The Obligated Group also records revenue related to resident room and board, which, depending upon 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.

The composition of resident services by primary payor for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Medicaid	$ 11,149,823	$ 11,167,474
Medicare	14,241,924	11,008,011
Managed Care	554,313	703,116
Private Pay	74,230,310	70,695,931
Total Resident Services Revenue	$ 100,176,370	$ 93,574,532

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Services Revenue (Continued)

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

	2024		
	Asbury Methodist Village	Asbury Solomons, Inc.	Total
Service Lines:			
Skilled Nursing Facility	$ 32,259,475	$ 6,220,644	$ 38,480,119
Assisted Living	15,247,999	2,418,077	17,666,076
Independent Living	32,204,621	11,533,037	43,737,658
Retail Sales	219,733	72,784	292,517
Total	$ 79,931,828	$ 20,244,542	$ 100,176,370
Method of Reimbursement:			
Fee for Services	$ 79,712,095	$ 20,171,758	$ 99,883,853
Retail Sales	219,733	72,784	292,517
Total	$ 79,931,828	$ 20,244,542	$ 100,176,370
Timing of Revenue and Recognition:			
Health Care Services Transferred Over Time	$ 79,712,095	$ 20,171,758	$ 99,883,853
Sales at Point in Time	219,733	72,784	292,517
Total	$ 79,931,828	$ 20,244,542	$ 100,176,370

	2023		
	Asbury Methodist Village	Asbury Solomons, Inc.	Total
Service Lines:			
Skilled Nursing Facility	$ 29,447,831	$ 6,358,212	$ 35,806,043
Assisted Living	13,375,251	2,172,288	15,547,539
Independent Living	31,339,643	10,635,130	41,974,773
Retail Sales	172,959	73,218	246,177
Total	$ 74,335,684	$ 19,238,848	$ 93,574,532
Method of Reimbursement:			
Fee for Services	$ 74,162,725	$ 19,165,630	$ 93,328,355
Retail Sales	172,959	73,218	246,177
Total	$ 74,335,684	$ 19,238,848	$ 93,574,532
Timing of Revenue and Recognition:			
Health Care Services Transferred Over Time	$ 74,162,725	$ 19,165,630	$ 93,328,355
Sales at Point in Time	172,959	73,218	246,177
Total	$ 74,335,684	$ 19,238,848	$ 93,574,532

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract Costs

The Obligated Group 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 Obligated Group otherwise would have recognized is one year or less in duration.

Benevolent Care

The Obligated Group's policy is to track those expenses for residents in its facilities who cannot pay for all or a portion of their care and to define these expenses as benevolent care. Because the Obligated Group does not pursue collection of amounts determined to qualify as benevolent care, they are not reflected as revenue in the accompanying combined financial statements. Benevolent care provided to residents for the years ended December 31, 2024 and 2023 was $1,931,769 and $2,559,962, respectively.

Occupancy Percentages

During the years ended December 31, 2024 and 2023, 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:

	2024		2023	
	Asbury Methodist Village	Asbury Solomons, Inc.	Asbury Methodist Village	Asbury Solomons, Inc.
Total Skilled Nursing Center **Occupancy**	**95%**	**74%**	**95%**	**81%**
Medicaid	46%	37%	50%	36%
Medicare	29%	15%	23%	10%
Private Pay and Other	25%	48%	27%	54%

Provider Relief Funds

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

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Additionally, the U.S. Department of Homeland Security made available emergency relief grant funds through the Federal Emergency Management Agency (FEMA). Total grant funds approved and received by the Obligated Group for the years ended December 31, 2024 and 2023 was $-0- and $762,513, respectively. The PRF and FEMA funds are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provider Relief Funds (Continued)

At December 31, 2024 and 2023, the Obligated Group recognized $-0- and $687,193, respectively, as other operating revenue in the combined statements of operations and changes in net deficit. For both the years ended December 31, 2024 and 2023, the Obligated Group recognized $75,320 as deferred revenue in the combined balance sheets. The Obligated Group believes the amounts have been recognized appropriately as of December 31, 2024 and 2023.

Contributions

Unconditional promises to give cash and other assets to the Obligated Group 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 donor-restricted support if they are received with 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, these net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the combined 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 combined statements of operations and changes in net deficit. Endowments to be held in perpetuity are recorded with net assets with donor restrictions.

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 Obligated Group 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 the Obligated Group by AFOUND. The temporarily restricted net assets fulfill donor intent by providing for programs, equipment and other health and educational services based on donor designation.

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 for the benefit of the Obligated Group. The objectives of these net assets are providing long-term growth of capital and maximizing the return on assets over the long-term while diversifying investments within asset classes to reduce the impact of losses in single investments. The income from these net assets can be unrestricted or temporarily restricted based on donor intent to primarily support benevolent care and other services based on donor designation.

Income from Operations

The accompanying combined statements of operations and changes in net deficit include income from operations, which is the Obligated Group's performance indicator. Changes in net assets without donor restrictions, which are excluded from the income from operations, consistent with industry practice, include unrealized gains and losses on fixed income securities and other investments, net assets released from restrictions for capital items, and permanent transfers of assets to and from ACOMM for other than goods and services.

Tax Status

The Obligated Group members are each exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code (IRC); accordingly, no provisions for income taxes are required as there are no unrelated trades or businesses.

ACOMM has implemented processes to ensure compliance with the Internal Revenue Service's intermediate sanctions provisions for all its supported organizations, including the Obligated Group. This includes an independent review by the compensation committee of the board 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 Obligated Group on compliance.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Obligated Group 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 Obligated Group primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, the Obligated Group utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Obligated Group is able to classify fair value balances based on the observability of those inputs.

The Obligated Group'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 Obligated Group 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 Obligated Group has the ability to access.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

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 Obligated Group 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 Obligated Group has determined that there would be no impact to the accompanying combined 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 Obligated Group 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 Obligated Group 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 combined financial statements, the Obligated Group has evaluated events and transactions for potential recognition or disclosure through April 17, 2025, the date the combined financial statements were issued.

NOTE 3 LIQUIDITY AND AVAILABILITY

As of December 31, 2024 and 2023, the Obligated Group has working capital of $40,427,699 and $34,315,386, respectively.

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

	2024	2023
Cash and Cash Equivalents	$ 5,220,522	$ 4,227,312
Investments	35,329,613	33,793,525
Accounts Receivable, Net	4,113,311	3,825,821
Other Receivables	9,190,673	7,568,160
Investments Held Under Bond Indenture	6,694,677	6,694,065
Total Financial Assets	$ 60,548,796	$ 56,108,883

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Obligated Group has certain investments, including the current portion of investments held under bond indenture, which are available for general expenditures within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above. The Obligated Group 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 Obligated Group believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegation of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Medicare Reimbursement

The Centers for Medicare and Medicaid Services (CMS) utilize the Patient Driven Payment Model (PDPM) Medicare reimbursement system. Under PDPM, therapy minutes are removed as the primary basis for payment and instead uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

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.

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).

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Medicare and Medicaid (Continued)

Medicaid Reimbursement (Continued)

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.

Other

The Obligated Group participates in a system-wide Voluntary Compliance Program instituted by ACOMM. This program is based on the elements of an effective program identified by the Office of Inspector General of the Department of Health and Human Services. The program includes a dedicated compliance officer, board oversight, written policies and procedures, a code of conduct, continuous education, periodic auditing, and an associate hotline.

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

Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2024 or 2023.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Obligated Group estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident services revenue in the period of the change.

Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended December 31, 2024 and 2023. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as credit loss expense.

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

State of Maryland Reserve Requirement

The state of Maryland requires AMV and AS to set aside reserves equal to 25% of its net operating expenses (as defined) for the most recent fiscal year. As of December 31, 2024 and 2023, AMV and AS are in compliance with the reserve requirement. The total amount reserved for AMV is as follows as of December 31:

	2024	2023
Maryland Department of Aging Reserves:		
Operating Expenses	$ 96,947,950	$ 94,263,625
Less: Depreciation and Amortization Expense	(17,611,664)	(17,465,064)
Interest Expense	(5,169,317)	(4,715,436)
Net Operating Expenses	$ 74,166,969	$ 72,083,125
Total Operating Reserve (25% of Net Operating Expenses)	$ 18,541,742	$ 18,020,781
Required Reserves for the Year Ended December 31 (100% of Total Operating Reserve)	$ 18,541,742	$ 18,020,781
Cash and Marketable Securities Available for Operating Reserve	$ 18,541,742	$ 18,020,781

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

	2024	2023
Maryland Department of Aging Reserves:		
Operating Expenses	$ 22,291,998	$ 20,863,750
Less: Depreciation and Amortization Expense	(3,484,698)	(3,314,933)
Interest Expense	(863,816)	(771,665)
Net Operating Expenses	$ 17,943,484	$ 16,777,152
Total Operating Reserve (25% of Net Operating Expenses)	$ 4,485,871	$ 4,194,288
Required Reserves for the Year Ended December 31 (100% of Total Operating Reserve)	$ 4,485,871	$ 4,194,288
Cash and Marketable Securities Available for Operating Reserve	$ 4,485,871	$ 4,194,288

NOTE 5 CONCENTRATION OF CREDIT RISK

The Obligated Group 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 is as follows as of December 31:

	2024	2023
Private Pay	34 %	25 %
Medicaid	22	30
Medicare	30	29
Other (Primarily Managed Care and Insurance)	14	16
Total	100 %	100 %

NOTE 6 INVESTMENTS

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

	2024	2023
Investments:		
Cash and Short-Term Investments	$ 459,285	$ 5,772,321
Fixed-Income Securities and Mutual Funds	10,443,434	8,837,835
Equity Securities and Equity Mutual Funds	24,211,248	12,698,248
Alternative Investments	215,646	6,485,121
Total Investments	$ 35,329,613	$ 33,793,525
Statutory Reserves:		
Cash and Short-Term Investments	$ 23,027,613	$ 22,215,069
Investments Held Under Bond Indenture:		
Cash and Short-Term Investments	$ 15,680,413	$ 20,847,135
Investments Restricted by Board:		
Cash and Short-Term Investments	$ 18,464	$ 22,551
Fixed-Income Securities and Mutual Funds	419,845	428,479
Equity Securities and Equity Mutual Funds	982,005	969,284
Total Investments Restricted by Board	$ 1,420,314	$ 1,420,314

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

	2024	2023
Debt Service Fund	$ 7,211,038	$ 7,007,547
Debt Service Reserve Fund	8,469,375	8,469,375
Project Fund	-	5,370,213
Total	15,680,413	20,847,135
Less: Current Portion	(6,694,677)	(6,694,065)
Long-Term Portion of Bond Indenture	$ 8,985,736	$ 14,153,070

NOTE 6 INVESTMENTS (CONTINUED)

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:

	2024	2023
Included within the Performance Indicator:		
Interest and Dividend Income, Net	$ 3,841,197	$ 3,064,697
Net Realized Gain (Loss) on Investments	6,651,987	(1,720,099)
Unrealized Gain (Loss) on Equity Security Investments	(2,154,542)	6,108,487
Net Unrealized Loss on Change in Market Value of Derivative Instruments	(32,582)	(60,416)
Total	8,306,060	7,392,669
Included in Other Changes in Net Deficit:		
Unrealized Gain on Fixed Income Securities and Other Investments	120,298	310,596
Total	$ 8,426,358	$ 7,703,265

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

The Obligated Group 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, 2024 and 2023, the Obligated Group did not identify any other than temporary declines in the fair value of investments.

NOTE 7 BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION

AFOUND was established to solicit, receive, hold, invest, and reinvest donations and bequests, which are made primarily for the benefit of AMV, AS, BV, SH, and Albright. The Obligated Group's beneficial interest in the net assets of AFOUND was $25,466,310 and $24,611,631 as of December 31, 2024 and 2023, respectively.

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

The balance sheets of AFOUND consisted of the following:

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 15,161	$ 99,380
Pledges Receivable, Net	974,654	602,841
Prepaid Expenses and Other Assets	57,092	45,335
Total Current Assets	1,046,907	747,556
Property and Equipment, Net	80,678	101,746
Investments Restricted by Donor	44,237,078	43,338,780
Pledge Receivable, Net	11,593,802	8,999,782
Long-Term Investments	1,200,000	1,330,000
Funds Held in Trust	2,719,711	3,419,102
Total Assets	$ 60,878,176	$ 57,936,966
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 167,100	$ 47,796
Due to ACOMM, Net	18,227,891	16,914,226
Obligations Under Charitable Gift Annuities	4,065,062	3,635,787
Total Liabilities	22,460,053	20,597,809
NET ASSETS		
With Donor Restrictions	38,418,123	37,339,157
Total Net Assets	38,418,123	37,339,157
Total Liabilities and Net Assets	$ 60,878,176	$ 57,936,966

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

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

NOTE 8 PROPERTY AND EQUIPMENT

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

	Useful Life	2024	2023
Land and Improvements	10 to 40 Years	$ 25,670,269	$ 25,310,239
Buildings and Improvements	10 to 40 Years	399,039,899	406,302,048
Furniture and Equipment	2 to 15 Years	42,461,593	42,974,673
Construction in Progress		106,332	106,332
Total		467,278,093	474,693,292
Less: Accumulated Depreciation		(297,720,098)	(301,686,574)
Property and Equipment, Net		$ 169,557,995	$ 173,006,718

Depreciation expense was $20,670,844 and $20,845,921 for the years ended December 31, 2024 and 2023, respectively.

NOTE 9 RELATED PARTY TRANSACTIONS

Due from ACOMM

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

- Accrued Salaries and Paid Time Off (PTO) – By utilizing the consolidated payroll function, all salaries and withholdings are processed through ACOMM. ACOMM recognizes employee compensation, including salaries and PTO for eligible associates in a cash value plan when the related services are performed. Accrued salaries and PTO are calculated, tracked and recognized as liabilities of ACOMM to the extent that the associates have earned the wages and PTO for each payroll period. These accruals do not affect the cash of the affiliates until paid out to the employees and is not cleared out of the intercompany accounts until paid. The intercompany account then will retain an amount equal to the accumulated value of accrued salaries and unused PTO for each affiliate.

- Deferred Service Fees – From time to time, service fees may be deferred by ACOMM to its affiliates in order to meet bond covenant requirements. These fees can be recouped by ACOMM in subsequent periods when financial performance warrants reducing or eliminating the deferral. The cumulative effect of these deferrals will be included in the affiliate's intercompany account. For the years ended December 31, 2024 and 2023, there were no service fees deferred in order to maintain bond covenant compliance.

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

NOTE 9 RELATED PARTY TRANSACTIONS (CONTINUED)

Due from ACOMM (Continued)

- Cash Management – Entities supported by ACOMM share a common cash management function. Operating cash of the group is swept as needed to accommodate investment of excess cash flow. Operating cash payments, including borrowings and payments of intercompany loans and balances, are made through the same sweep account. At any time, depending upon the timing of receipts, disbursements, and other investment activity, members of the group may temporarily overdraw their share of the common operating cash. Cumulative positive cash flow levels will periodically be transferred to more permanent investment vehicles of the respective affiliate's books. The balance of cash and cash equivalents includes the Obligated Group's share of the common operating cash and amounts held in their individual checking and savings accounts, money market accounts, and short-term certificates of deposit with original maturities of 90 days or less. Cash balances are principally uninsured and subject to normal credit risk.

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

AMV and AS have combined as an obligated group for purposes of debt issuance and related obligations. Accordingly, AMV and AS, as an obligated group, are jointly and severally obliged to meet all debt service requirements for the Obligated Group.

Service Fees

The Obligated Group received services from ACOMM under a service agreement at a cost of $13,782,587 and $13,466,796 in 2024 and 2023, respectively. Included in the services is an information technology fee. Service fees are charged on a pro rata basis to all the affiliates based upon total revenue. The payment of service fees to ACOMM is subordinate to all obligations of the Obligated Group under all of the Obligated Group's secured loan agreements.

The Obligated Group has a services agreement with Albright to receive pharmacy services for the benefit of the residents at the AMV and AS campuses. Albright submits monthly invoices to the Obligated Group for all products and services provided under this agreement on behalf of AMV and AS residents. The term of this agreement will continue on an annual basis until termination by either party. The total cost of pharmacy services provided to AMV and AS for the years ended December 31, 2024 and 2023 was $1,158,055 and $1,072,168, respectively.

NOTE 10 DEBT

Long-term debt consisted of the following December 31:

	Interest Rate	Maturity Dates	2024	2023
Series 2022A MD Bonds	Fixed Rate Revenue Bonds	2037 - 2042	$ 40,000,000	$ 40,000,000
Series 2019B MD Bonds	Variable Rate Revenue Bonds	2019 - 2027	3,639,000	3,816,000
Series 2018A MD Bonds	Fixed Rate Revenue Bonds	2023 - 2036	73,390,000	78,070,000
Series 2018B MD Bonds	Fixed Rate Revenue Bonds	2022 - 2027	7,075,000	9,670,000
Subtotal			124,104,000	131,556,000
Unamortized Bond Premium/Discount on Bonds, Net			3,684,382	4,249,936
Unamortized Bond Issuance Costs			(1,692,480)	(1,817,810)
Current Portion Bonds Payable			(7,793,000)	(7,452,000)
Total Bonds Payable			118,302,902	126,536,126
Note Payable			144,519	164,795
Current Portion Note Payable			(20,257)	(20,276)
Total Note Payable			124,262	144,519
Total Long-Term Debt			$ 118,427,164	$ 126,680,645

Series 2022 Maryland (MD) Bonds

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

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

Series 2019 Maryland (MD) Bonds

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

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.

NOTE 10 DEBT (CONTINUED)

Series 2018 Maryland (MD) Bonds

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

The proceeds of the Series 2018 MD Bonds were utilized to refund all of the Series 2006A MD Bonds and the Series 2014A MD, 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.

For financial statement purposes, the Obligated Group has allocated the liability for payment of principal and interest on the bonds in an amount equal to the proportion of the bonds used to refund debt at each respective facility.

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

Note Payable

In October 2017, the Obligated Group entered into a management agreement with Sodexo Operations, LLC (Sodexo). Within this agreement, there is a contract commitment whereas Sodexo shall purchase equipment for the services stated in the management agreement and/or provide renovations in support of the services in an amount not to exceed $7,000,000. Sodexo shall amortize the contract commitment on a straight-line basis over ten years, commencing with the date the equipment is placed in service or when renovation commences, as applicable. The balance of the contract commitment as of December 31, 2024 and 2023 is $144,519 and $164,795, respectively.

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 $127,431 and $185,440 for the years ended December 31, 2024 and 2023, respectively.

NOTE 10 DEBT (CONTINUED)

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 $565,553 for both the years ended December 31, 2024 and 2023.

Liens and Covenants

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

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

The Obligated Group is subject to various covenants under the bond agreements. These covenants include various reporting, financial, and operational requirements. As of December 31, 2024, management is not aware of any noncompliance with these covenants.

Debt Maturities

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

Year Ending December 31,	Amount
2025	$ 7,813,257
2026	8,179,257
2027	10,142,257
2028	5,650,257
2029	5,935,257
Thereafter	86,528,234
Total	$ 124,248,519

NOTE 11 DERIVATIVE INSTRUMENTS

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.

The following is a schedule outlining the term and Asbury Atlantic's proportionate share of the fair market values of the derivative instruments at December 31:

	Series 2019A	Series 2019B	Total
Notional Amount - December 31, 2024	$ -	$ 3,639,000	
Trade Date	11/8/2019	11/8/2019	
Effective Date	11/8/2019	11/8/2019	
Termination Date	11/1/2023	11/1/2027	
Fixed Rate	2.226%	2.309%	
Fair Value at December 31, 2022	$ 1,314	$ 246,438	$ 247,752
Unrealized Loss	(1,314)	(59,102)	(60,416)
Fair Value at December 31, 2023	-	187,336	187,336
Unrealized Loss	-	(32,582)	(32,582)
Fair Value at December 31, 2024	$ -	$ 154,754	$ 154,754

The Obligated Group has included the fair market value of these derivative instruments as an asset of $154,754 and $187,336 in the accompanying combined balance sheets as of December 31, 2024 and 2023, respectively. Within income from operations, the Obligated Group recorded a net unrealized loss of $32,582 and $60,416 for the change in market value of derivative instruments for the years ended December 31, 2024 and 2023, respectively.

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were $25,466,310 and $24,611,631 as of December 31, 2024 and 2023, respectively. Included in net assets with donor restrictions are investments to be held in perpetuity totaling $22,952,039 and $21,772,779 as of December 31, 2024 and 2023, respectively. Investment income earned from the net assets with donor restrictions is available for operations of the supported organizations including funding of benevolent care.

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

	2024	2023
Endowment Fund - Beginning of Year	$ 21,772,779	$ 21,126,588
Change in Beneficial Interest in Net Assets of Asbury Foundation, Inc.	1,179,260	646,191
Endowment Fund - End of Year	$ 22,952,039	$ 21,772,779

NOTE 13 RETIREMENT PLAN

ACOMM and its affiliates 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. For 2024, the employer match is 100% of employee contributions up to 3% and 50% on the next 2% of contributions for each eligible employee. For January 1 to May 13, 2023, the employer match was 100% of employee contributions up to 4% and 50% on the next 2% of contributions for each eligible employee. For May 14 to December 31, 2023, the employer match was 100% of employee contributions up to 3% and 50% on the next 1% of contributions for each eligible employee. The employer's contribution expense for the years ended December 31, 2024 and 2023 was $1,207,246 and $1,148,879, respectively.

NOTE 14 COMMITMENTS AND CONTINGENCIES

Caring Communities, a Reciprocal Risk Retention Group

ACOMM and its affiliates participate in an insurance risk retention group, Caring Communities, a reciprocal Risk Retention Group (CCrRRG) licensed by the District of Columbia for purposes of obtaining the following insurance coverage: (1) primary general and professional liability; (2) excess general and professional liability; and (3) excess auto liability. The primary general and professional liability coverage has a limit of $1,000,000 per occurrence and a $3,000,000 annual aggregate. The excess general and professional liability coverage has a limit of $10,000,000 per claim and a $30,000,000 annual aggregate. This policy has been renewed through December 31, 2025.

CCrRRG provides insurance coverage to its members, which are nonprofit, predominantly faith based, senior housing, and healthcare providers. These members include continuing care retirement communities, affordable housing providers, and other organizations that offer a mix of product and services, including independent living, assisted living and skilled nursing. In February 2025, CCrRRG was affirmed as a rating of "A (Excellent)" for its financial strength with a stable outlook by A.M. Best Co., one of the leading rating agencies.

ACOMM executed a subscription agreement and made capital contributions in exchange for an interest in a CCrRRG Charter Capital Account. Through December 31, 2024, ACOMM's capital contributions were $560,508 which represents 1.99% of CCrRRG's total Charter Capital. The percentage of the total Charter Capital may be affected by the future addition of members to CCrRRG.

Health Insurance

ACOMM and its affiliates have a self-funding arrangement for health insurance coverage. ACOMM and affiliates have stop-loss coverage for any claim exceeding $200,000 per participant with unlimited reimbursement after a $75,000 aggregate deductible (one time across all claimants).

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Legal Actions and Claims

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

Lease Commitments

The Obligated Group leases equipment, vehicles, and software for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2028. 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 concerning the Obligated Group's leases.

	2024	2023
Lease Costs:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	$ 158,696	$ 151,821
Interest on Lease Liabilities	3,190	5,952
Operating Lease Cost	347,402	885,017
Total Lease Cost	$ 509,288	$ 1,042,790
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	$ 3,190	$ 5,952
Operating Cash Flows from Operating Leases	347,402	885,017
Financing Cash Flows from Finance Leases	160,373	149,694
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	170,154	153,824
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	-	8,522
Weighted-Average Remaining Lease Term - Finance Leases	1.42 Years	1.36 Years
Weighted-Average Remaining Lease Term - Operating Leases	1.34 Years	2.26 Years
Weighted-Average Discount Rate - Finance Leases	2.00%	2.00%
Weighted-Average Discount Rate - Operating Leases	2.00%	2.00%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2024 is as follows:

Year Ending December 31,	Operating Leases	Finance Leases
2025	$ 233,385	$ 72,048
2026	53,723	30,059
2027	9,281	-
Total	296,389	102,107
Less: Interest Expense	(3,694)	(1,352)
Amounts Recognized in the Combined Balance Sheets	$ 292,695	$ 100,755

NOTE 15 FUNCTIONAL EXPENSES

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

	2024		
	Program Services	Supporting Services	
	Continuing Care Services	Management and General	Total
Salaries and Wages	$ 40,582,813	$ -	$ 40,582,813
Employee Benefits	8,364,268	-	8,364,268
Contract Labor	5,109,196	-	5,109,196
Food Purchases	4,711,922	-	4,711,922
Medical Supplies and Other Resident Costs	3,484,949	-	3,484,949
General and Administrative	-	1,760,350	1,760,350
Building and Maintenance	11,588,292	-	11,588,292
Professional Fees and Insurance	1,305,753	-	1,305,753
Interest	5,646,137	-	5,646,137
Taxes	3,024,263	-	3,024,263
Provision for Credit Losses	875,556	-	875,556
Depreciation and Amortization	20,928,160	-	20,928,160
Service and Other Fees	-	13,760,046	13,760,046
Total Functional Expenses	$ 105,621,309	$ 15,520,396	$ 121,141,705

	2023		
	Program Services	Supporting Services	
	Continuing Care Services	Management and General	Total
Salaries and Wages	$ 39,832,356	$ -	$ 39,832,356
Employee Benefits	8,163,941	-	8,163,941
Contract Labor	4,819,666	-	4,819,666
Food Purchases	4,463,775	-	4,463,775
Medical Supplies and Other Resident Costs	3,411,616	-	3,411,616
General and Administrative	-	1,615,445	1,615,445
Building and Maintenance	11,769,853	-	11,769,853
Professional Fees and Insurance	1,280,734	-	1,280,734
Interest	6,033,133	-	6,033,133
Taxes	3,027,075	-	3,027,075
Provision for Credit Losses	363,285	-	363,285
Depreciation and Amortization	21,096,362	-	21,096,362
Service and Other Fees	-	13,362,707	13,362,707
Total Functional Expenses	$ 104,261,796	$ 14,978,152	$ 119,239,948

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

NOTE 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Investments measured at fair value using net asset value per share include alternative investments. Alternative investments are those not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not readily available. The Obligated Group 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 Obligated Group 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.

NOTE 16 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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

	At Fair Value as of December 31, 2024			
Recurring Fair Value Measures	Level 1	Level 2	Level 3	Total
Assets:				
Cash and Short-Term Investments	$ 39,185,775	$ -	$ -	$ 39,185,775
Fixed Income Securities and Mutual Funds	10,863,279	-	-	10,863,279
Equity Securities and Mutual Funds	25,193,253	-	-	25,193,253
Derivative Instruments	-	154,754	-	154,754
Subtotal	$ 75,242,307	$ 154,754	$ -	75,397,061
Investments Measured at Fair Value Using Net Asset Value Per Share				215,646
Total				$ 75,612,707

	At Fair Value as of December 31, 2023			
Recurring Fair Value Measures	Level 1	Level 2	Level 3	Total
Assets:				
Cash and Short-Term Investments	$ 48,857,076	$ -	$ -	$ 48,857,076
Fixed Income Securities and Mutual Funds	9,266,314	-	-	9,266,314
Equity Securities and Mutual Funds	13,667,532	-	-	13,667,532
Derivative Instruments	-	187,336	-	187,336
Subtotal	$ 71,790,922	$ 187,336	$ -	71,978,258
Investments Measured at Fair Value Using Net Asset Value Per Share				6,485,121
Total				$ 78,463,379

The Obligated Group has a policy which permits investments in alternative investments that do not have a readily determinable fair value and, as such, uses the NAV per share as calculated on the reporting entity's measurement date as the fair value of the investment. A listing of the investments held by the Obligated Group and their attributes that may qualify for these valuations consist of the following as of December 31, 2024:

Investment/Strategy	Fair Value	Unfunded Commitments	Redemption Frequency*	Redemption Notice Period
Pantheon USA Fund VI	$ 23,762	$ 146,595	N/A - illiquid	N/A - illiquid
Pantheon Global Fund III	29,118	121,896	N/A - illiquid	N/A - illiquid
Ironwood International Ltd.	96,478	-	Semi Annually (on anniversary date)	95 calendar days
Partners Group	66,289	-	Quarterly	20 business days
Total	$ 215,646			

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

MARYLAND OBLIGATED GROUP OF ASBURY ATLANTIC, INC.
COMBINING BALANCE SHEET
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	Asbury Methodist Village	Asbury Solomons, Inc.	Combining Entries	Combined Obligated Group
CURRENT ASSETS				
Cash and Cash Equivalents	$ 5,205,811	$ 14,711	$ -	$ 5,220,522
Investments	35,329,613	-	-	35,329,613
Accounts Receivable	4,724,752	545,320	-	5,270,072
Allowance for Credit Losses	(1,110,871)	(45,890)	-	(1,156,761)
Other Receivables and Prepaid Expenses	7,414,063	1,776,610	-	9,190,673
Investments Held Under Bond Indenture	5,943,202	751,475	-	6,694,677
Total Current Assets	57,506,570	3,042,226	-	60,548,796
Due from ACOMM, Net	54,722,883	30,929,635	-	85,652,518
Property and Equipment, Net	130,940,645	38,617,350	-	169,557,995
Right-of-Use Assets - Operating Leases, Net	249,050	43,645	-	292,695
Right-of-Use Assets - Finance Leases, Net	113,960	17,788	-	131,748
Deposits and Other Assets	264,361	-	-	264,361
Investments Held Under Bond Indenture	7,683,883	1,301,853	-	8,985,736
Statutory Reserves	18,541,742	4,485,871	-	23,027,613
Investments Restricted by Board	1,420,314	-	-	1,420,314
Beneficial Interest in Net Assets of the Asbury Foundation, Inc.	20,968,169	4,498,141	-	25,466,310
Valuation of Derivative Instruments	154,754	-	-	154,754
Total Assets	$ 292,566,331	$ 82,936,509	$ -	$ 375,502,840

MARYLAND OBLIGATED GROUP OF ASBURY ATLANTIC, INC.
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Methodist Village	Asbury Solomons, Inc.	Combining Entries	Combined Obligated Group
LIABILITIES AND NET DEFICIT NET ASSETS (DEFICIT)				
CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	$ 805,886	$ 39,980	$ -	$ 845,866
Accrued Interest Payable	2,539,425	402,504	-	2,941,929
Deposits from Prospective Residents	2,801,084	343,255	-	3,144,339
Entrance Fees - Refundable	3,626,096	1,109,637	-	4,735,733
Deferred Revenue	268,211	70,800	-	339,011
Current Portion of Lease Liabilities - Operating Leases	190,338	39,824	-	230,162
Current Portion of Lease Liabilities - Finance Leases	62,987	7,813	-	70,800
Current Portion of Long-Term Debt	7,106,779	706,478	-	7,813,257
Total Current Liabilities	17,400,806	2,720,291	-	20,121,097
Long-Term Lease Liabilities - Operating Leases, Net of Current	58,712	3,821	-	62,533
Long-Term Lease Liabilities - Finance Leases, Net of Current	26,803	3,152	-	29,955
Long-Term Debt, Net	102,348,450	16,078,714	-	118,427,164
Contingent Refundable Entrance Fee Liability	88,783,814	23,456,797	-	112,240,611
Entrance Fees - Deferred Revenue	98,775,104	38,931,112	-	137,706,216
Other Liabilities	1,500,000	-	-	1,500,000
Total Liabilities	308,893,689	81,193,887	-	390,087,576
NET ASSETS (DEFICIT)				
Without Donor Restrictions	(37,295,527)	(2,755,519)	-	(40,051,046)
With Donor Restrictions	20,968,169	4,498,141	-	25,466,310
Total Net Deficit	(16,327,358)	1,742,622	-	(14,584,736)
Total Liabilities and Net Deficit	$ 292,566,331	$ 82,936,509	$ -	$ 375,502,840

MARYLAND OBLIGATED GROUP OF ASBURY ATLANTIC, INC.
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET DEFICIT WITHOUT DONOR RESTRICTIONS
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Asbury Methodist Village	Asbury Solomons, Inc.	Combining Entries	Combined Obligated Group
REVENUES, GAINS, AND OTHER SUPPORT				
Resident Services Revenue	$ 79,931,828	$ 20,244,542	$ -	$ 100,176,370
Other Operating Revenue	1,697,400	200,422	-	1,897,822
Amortization of Entrance Fees	15,404,548	6,155,617	-	21,560,165
Interest and Dividend Income, Net	3,109,698	731,499	-	3,841,197
Net Realized Gain on Investments	6,082,889	569,098	-	6,651,987
Net Unrealized Loss on Equity Security Investments	(1,989,521)	(165,021)	-	(2,154,542)
Allocations from Asbury Foundation, Inc.	4,462,433	1,104,167	-	5,566,600
Total Revenues, Gains, and Other Support	108,699,275	28,840,324	-	137,539,599
EXPENSES				
Salaries	33,296,815	7,285,998	-	40,582,813
Employee Benefits	7,023,912	1,340,356	-	8,364,268
Contract Labor	3,725,932	1,383,264	-	5,109,196
Food Purchases	3,687,204	1,024,718	-	4,711,922
Medical Supplies and Other Resident Costs	2,870,820	614,129	-	3,484,949
General and Administrative	1,274,493	485,857	-	1,760,350
Building and Maintenance	9,123,295	2,464,997	-	11,588,292
Professional Fees and Insurance	1,032,807	272,946	-	1,305,753
Interest	4,862,440	783,697	-	5,646,137
Taxes	2,284,665	739,598	-	3,024,263
Provision for Credit Losses	835,072	40,484	-	875,556
Depreciation and Amortization	17,238,386	3,689,774	-	20,928,160
Service and Other Fees	11,008,741	2,751,305	-	13,760,046
Total Expenses	98,264,582	22,877,123	-	121,141,705
INCOME FROM OPERATIONS PRIOR TO NET UNREALIZED LOSS ON CHANGE IN MARKET VALUE OF DERIVATIVE INSTRUMENTS, AND GAIN ON DISPOSALS OF ASSETS	10,434,693	5,963,201	-	16,397,894
Net Unrealized Loss on Change in Market Value of Derivative Instruments	(32,582)	-	-	(32,582)
Gain on Disposals of Assets	528,564	-	-	528,564
INCOME FROM OPERATIONS	10,930,675	5,963,201	-	16,893,876
Transfers to ACOMM	(375,000)	-	-	(375,000)
Net Unrealized Gain on Fixed Income Securities and Other Investments	110,891	9,407	-	120,298
Net Assets Released from Restrictions Used for Purchase of Capital Items	387,363	10,264	-	397,627
NET DECREASE IN NET DEFICIT WITHOUT DONOR RESTRICTIONS	$ 11,053,929	$ 5,982,872	$ -	$ 17,036,801