



An Albright Care Services, Inc.
Continuing Care Retirement Community
270 Ridgecrest Circle
Lewisburg, PA 17837

Disclosure Statement
April 30, 2025

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

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1. ABOUT THIS DOCUMENT

RiverWoods is delighted that you are interested in our community. We hope you find this Disclosure Statement interesting and useful and that it helps you have a better understanding of our community. While many of the disclosures provided in this document are required by state regulations, you will also find additional information that we think will be helpful. We believe it is important for you to know and understand the mission, history, ownership, governance, and finances of a continuing care retirement community (CCRC) before making a decision that affects your future quality of life. Having this information will help you select a community that is a good fit with your priorities and where you will be most comfortable.

RiverWoods shall amend this disclosure statement at any time, should, in the opinion of RiverWoods or the Pennsylvania Department of Insurance, an amendment be necessary to prevent the document from containing any material misstatement of fact.

Community Address

RiverWoods
270 RidgeCrest Circle, Lewisburg, PA 17837
Office: 570-522-6234

Name & Address of Owner/Provider

Albright Care Services
90 Maplewood Dr
Lewisburg, PA 17837
www.Albrightcare.org

Name & Address of Parent

Asbury Communities, Inc.
5285 Westview Drive #200
Frederick, MD 21703
www.Asbury.org

Statement of Tax-Exempt Status

Albright Care Services, Inc. and Asbury Communities, Inc. are 501(c) 3 not-for-profit charitable corporations. *Please see Exhibit E for the Albright Care Services, Inc. IRS Determination Letter.*

2. ABOUT RIVERWOODS

History

Albright Care Services is a nonprofit corporation created on August 31, 1971 from the consolidation of the Evangelical Home of the United Methodist Church with the United Methodist Nursing Homes, Inc. and originally known as the Lewisburg United Methodist Homes. The Evangelical Home had been in existence since 1916.

With the United Evangelical Home's mission fully dedicated to serving seniors, the board of directors began a long-term campus development program to address the needs of the population in the community. In 1946, the Evangelical Church and the Church of the United Brethren in Christ had merged to form the Evangelical United Brethren (EUB) Church. In the late 1960s, a cooperative effort between EUBs and Methodists in Central Pennsylvania led to the construction of a state-of-the-art nursing care center on the Lewisburg Campus. The EUB and the Methodist denominations merged in 1968 to become The United Methodist Church, and the corporate name of the organization changed to Lewisburg United Methodist Homes. Later, in an effort to better reflect its mission, the corporate name changed to United Methodist Continuing Care Services (UMCCS) and finally changed to Albright Care Services to reflect its history and simplify the name. Modernization and expansion on the Lewisburg campus remains an on-going process. Between 1969 and 1989, another 100 beds were added to the nursing care center and new residential living units were constructed. The 71 apartments in Riverview Manor were

Statement regarding religious and other affiliations

RiverWoods has a historical relationship with the United Methodist Church; however, there are no financial or contractual obligations between RiverWoods/Albright Care Services, Inc. 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 creating the highest quality of life by encouraging purposeful living through personalized, progressive, and compassionate communities deeply rooted in serving others.

RiverWoods is an affiliate of Asbury Communities, Inc., the not-for-profit parent of a system of senior living and health service providers. In 2022, RiverWoods (and all Asbury's PA & MD communities) received 5-year EAGLE accreditation for organizations that soar above the competition while living out faith values.

completed in two phases. Fifty-six Garden Cottages, providing independent-living options for active seniors, were also constructed during this time. By the end of June 2025 we anticipate the completion of one additional cottage on campus.

About the Community

RiverWoods is located in Kelly Township, adjacent to the Borough of Lewisburg, the home of Bucknell University. The facility is immediately across the street from Evangelical Community Hospital.

The entire campus is 167 acres, and offers multiple levels of care ranging from skilled nursing care to independent living. The nursing care center, which is owned and operated by a non-affiliated entity, Oak Glen Healthcare and Rehabilitation Center, LLC (“Oak Glen”), contains 226 beds and provides skilled, intermediate, and custodial nursing care. RiverWoods sold this nursing care center to Oak Glen on 12/06/2024 and continues to collaborate with Oak Glen to provide nursing care on its campus,. The nursing care center is Medicare and Medicaid certified. Riverview Manor is a residential care building with 38 apartments, but licensed for up to 100 beds. The apartments are certified for both the provision of personal care services for those who require assistance with activities of daily living, as well as independent living. The Garden Cottages are for residents who are not dependent on skilled nursing services and require only routine maintenance of the grounds of their cottages. The majority of cottages contain 4 units, but the community has converted three of the quads into double cottages with garages. There is one stand-alone cottage with a garage. A double cottage with garages was added in 2018. There are a total of 52 cottages on the campus, with a 53rd being added by the end of June 2025. Residents pay a monthly fee for services and maintenance. There is also an apartment building, Ridgecrest Court, which opened in June 2003. It consists of 64 residential living apartments in a multi-story building, along with a community center, restaurant, library and recreational areas for the benefit of the entire campus. In 2015, some of the Riverview Manor units were converted into Alcove apartments with additional ones converted in 2016 totaling 14 Alcove Apartments; (13) One Bedroom and (1) Two bedroom unit.

RiverWoods is an equal housing opportunity provider and welcomes prospective residents, age 62 years and older. Minimum age waivers may be granted in special circumstance. As of April 30, 2025, 150 residents resided in cottages or apartments and 38 in personal care. Total resident population was 188.

For more information, visit www.RiverWoods.org.

Expansions and Renovations

Over the last four years, we have completed updates to the apartment common areas, and have updated the floor plans of numerous cottages to meet the market demand, providing greater square footage and better meeting Americans with Disabilities Act (ADA) standards. We undertook a significant project in 2022 to improve our Information Technology infrastructure and WiFi capabilities by installing new fiber optic cable throughout the campus, which was completed in 2023. From 2023-2024 we invested significant funds to improve campus infrastructure including a full replacement of the Riverview Manor roof, implementing a campus-wide ICON resident engagement technology platform, building and launching an innovative “Brain Health” space in our Wellbeing department, and continually renovating or upgrading common and resident living spaces. Most recently, a new Garden Cottage is being constructed with an anticipated completion by the end of June 2025.

Resident Associations

RiverWoods has very active and vibrant resident association groups that promote resident interests, facilitate communication, interact with management, and organize events and activities. The RiverWoods Residents’ Council is comprised of elected representatives who meet monthly with administration to focus on various aspects of campus life and to receive and integrate resident and staff suggestions for improving the quality of life at RiverWoods. Minutes from these meetings are distributed to all residents and made available in the ICON resident engagement platform.

3. ABOUT THE OWNER & PARENT CORPORATION

RiverWoods is owned and operated by Albright Care Services, Inc., a not-for-profit charitable corporation, which is the legal entity responsible for providing services to the residents of RiverWoods. Albright Care Services owns and operates one other continuing care retirement community (CCRC) in Pennsylvania: Normandie Ridge, York, PA. Albright also owns and operates five Living Independence for Elders (LIFE) programs in Lycoming, Lancaster, Lebanon, Cumberland, and Franklin Counties in PA. Albright Care Services is also the sponsor and management agent for Warrior Run Manor, a 76-unit apartment complex for the elderly in Watsontown, Pennsylvania. Warrior Run Manor was developed with a direct loan from the Department of Housing and Urban Development under the Section 202 program. Additionally, RiverWoods owns the Family Health Center building and leases space to a dental practice and an optometry practice.

Asbury Communities, Inc., a not-for-profit corporation, is the sole member (parent) of Albright Care Services; however, Asbury Communities is not responsible for the financial or contractual obligations of Albright Care Services. Asbury Communities is also the sole member of the following 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, LLC (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 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, 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.

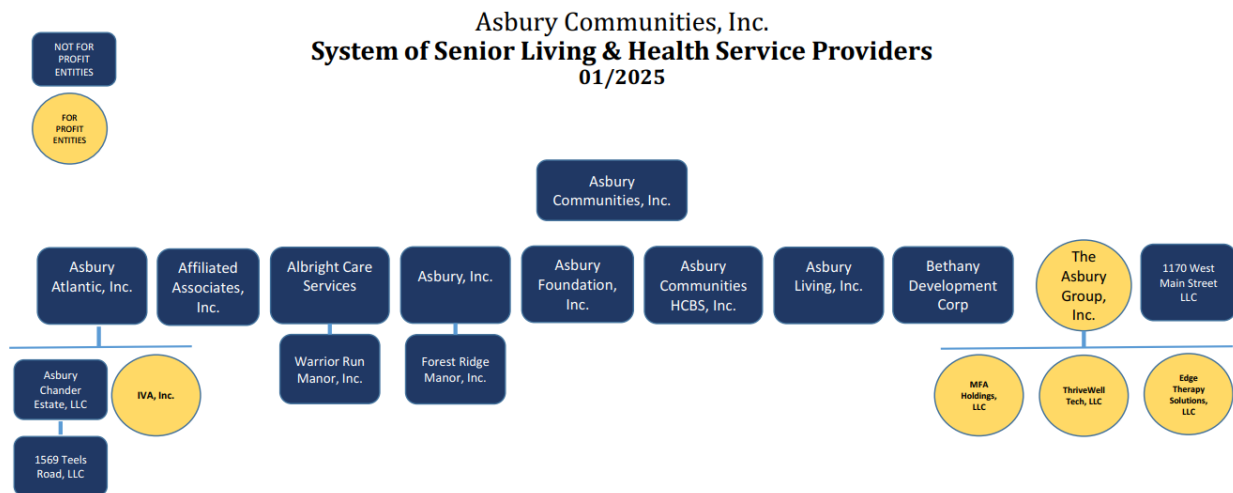
Bethany Development Corp (NFP) owns and operates a section 202 HUD senior housing apartment building (Mechanicsburg, PA).

The Asbury Group, Inc. (FP) a for-profit which Asbury Communities is the 100% stockholder. The Asbury Group, Inc. owns or has a 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 (38.1%) 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 RiverWoods is led by Aaron Barth. Mr. Barth has over 20 years of experience in healthcare administration and began serving as the Executive Director of RiverWoods in August 2021. Management is responsible for the day-to-day operations and overall functioning of RiverWoods. Several governing boards comprised of volunteer members provide oversight of RiverWoods.

The RiverWoods Community Advisory Committee works directly with the Executive Director and is focused exclusively on RiverWoods' programs, quality of care and service, master campus planning, and fundraising activities (in conjunction with the Asbury Foundation). The Community Advisory Committee communicates community needs and makes recommendations to the Albright Care Services Board regarding its scope of responsibility. The Albright Care Services, Inc. Board of Directors is legally responsible for control of RiverWoods and is primarily responsible for approving budget and maintaining financial health as well as monitoring quality of care and services. The Asbury Communities Board of Directors is focused on enhancing the strength of the entire fulfillment of its purpose and recognizing its full potential for providing services to the aging.

All decisions regarding RiverWoods are made in accordance with the Albright 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 RiverWoods as well as the organization. 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.

*Please see **Exhibit A** for a listing of the RiverWoods Community Advisory Committee and Albright Care Services, Inc. Directors and Officers.*

Albright Care Services, Inc. Governance

The Albright Care Services, Inc. Board of Directors is comprised of volunteer members with the responsibility of governing the corporation and its CCRCs, including RiverWoods. At least one of the Albright Care Services Directors is a current resident of one of the Albright communities. None of the Directors have a financial interest in Albright Care Services, Inc. With exception of the president, treasurer, and secretary, who are employees; all board members are uncompensated.

Periodic Meetings between Residents and Management

The Executive Director and various members of the RiverWoods management team meet quarterly with the residents, associates & family in a scheduled “Community Update.” Topics include operational updates and other issues of interest to residents. The meetings are held at a mutually agreed upon time at a consistent location. All residents are invited.

Services Agreements

RiverWoods receives business services from Asbury Communities, pursuant to a Services Agreement. Services include financial, information technology, legal, human resources, governance, clinical, and marketing.

Associates on the RiverWoods campus are not employees of Asbury Communities. Rather, Asbury Communities employs additional 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 Asbury Communities system. This arrangement eliminates the need for RiverWoods to shoulder the burden of hiring all necessary staff or expertise to provide such services.

The organization also contracts with third party service providers. One example is its consultative services agreement with Sodexo for guidance and tools with Preventative Maintenance and Safety. Another example is an arrangement with Aramark to provide support with food purchasing, audits, and other dining services for the RidgeCrest Restaurant, which services both Independent Living and Personal Care residents. By partnering with these consultants, RiverWoods receives a consistently high level of service and access to purchasing goods at a lower cost than if the retirement community procured or provided these services on its own.

At no time have Albright Care Services, Inc., Asbury Communities, Inc., third party service providers, affiliates and their Directors and Officers been convicted of a felony or pled nolo contendere to a felony charge or been held liable or enjoined in a civil action by final judgment. Further, neither the entities nor their respective Directors and Officers are subject to a currently effective injunctive or restrictive order of a court of record, or within the past five (5) years has any State or Federal license or permit been suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or healthcare, including without limitation, action affecting a license to operate a nursing home, retirement home, home for the aged or facility registered under the State of Pennsylvania or similar acts in another state.

5. SERVICES & FEES

The following services are included in the monthly fee for Apartments, Alcove Apartments and Cottages unless otherwise noted:

- Ground maintenance, trash removal, snow removal and exterior repair
- Interior maintenance and replacement of RiverWoods supplied appliances
- Utilities
- Basic cable service (except Cottages)
- 24/7 on-call security and emergency services, with additional scheduled on-site security service hours
- Parking
- Use of all campus outdoor areas
- Use of private meeting rooms and entertainment areas
- Access to campus amenities, social and recreational programs
- Wellness programming (except for special classes and programs)
- Scheduled transportation within the policy (generally for group events organized by RiverWoods)
- Move-in coordination services

The following services are available for an extra charge:

- Additional dining services for residents and guests
- Catering services
- Beauty salon and barber services
- Additional housekeeping services
- Additional maintenance services
- Routine transportation and medical appointments
- Home health, rehabilitation and personal care services
- Additional Wellbeing service offerings (e.g. Personal training, Kinnections Brain Health program)

The cost of residence in the Riverview Manor Personal Care is not included in the monthly fee for apartments and cottages.

Fees for Personal Care are listed in **Exhibit B**.

Fees for Skilled Nursing are available upon request to Oak Glen.

Description of Fees

RiverWoods offers two entry fee options: (1) standard entrance fee; or (2) 50 percent refundable entrance fee. The standard fee option is lower in cost than the refundable fee options. 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 50 percent refundable entrance fee option returns 50 percent of the amount paid by the resident. Refundable entrance fees are paid when RiverWoods receives an entrance fee from a successor resident for the vacated unit. Please see the Residency Agreement located in **Exhibit F** for additional details regarding Entrance Fee refunds.

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 refundable* and standard entrance fee options. Amount depends upon fee option and unit type/size.	Covers cost of unit and other services (see above Description of Services).	Covers cost of additional products and services that are not covered in the Monthly Fee (see above Description of Services).
* According to terms and conditions of the Residency Agreement.			

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. A listing of current residential living fees is located in **Exhibit B** and the historical monthly fees by unit are located in **Exhibit C**.

Use of Fees

All fees paid by residents to Albright Care Services may be used by Albright Care Services for any legal purpose, including the payment of debt (principal and interest), the payment of management fees to Asbury Communities, doing business as Asbury, (to be used by Asbury for any purpose in keeping with its mission, vision and tax exempt charitable purpose), the transfer of funds to Asbury (to be used by Asbury for any purpose in keeping with its mission, vision and tax exempt charitable purpose), the expansion of services on the RiverWoods 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.

Fee for Service CCRC

RiverWoods is a *Type C*, fee for service continuing care retirement community. Residents pay the standard per diem fees if they need personal care or nursing services. The fees do not include any free or discounted health care or personal care 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 of their own.

Benevolent Care

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 RiverWoods. 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 RiverWoods. The Asbury Foundation, a 501 (c) (3) not-for-profit organization, actively seeks donations for benevolent care, including a special endowment fund, to offset the costs of providing this support.

Average Annual Cost of Providing Services

The average annual cost of providing care and services during the most recent twelve-month period is \$21,659. Actual costs will vary substantially according to the size of the living unit, the number of occupants, and upon the extent of additional services which an occupant uses during the course of the year.

6. FINANCIAL STRENGTH & STEWARDSHIP

*The financial statements for the year ending December 31, 2024 for Albright Care Services, Inc. as audited by CliftonLarsonAllen LLP, a qualified independent certified public accountant who has not entered into indemnity clauses, which are prohibited in 31 Pa. Code §147.6(b)(4). Financial Statements are located at **Exhibit D**.*

Albright Care Services Obligated Group

RiverWoods does not have any individual long-term debt. Instead, all its long-term debt is part of Albright Care Services. The Albright Care Services Obligated Group is comprised of RiverWoods, Normandie Ridge, Albright LIFE, and Albright Pharmacy. All are jointly and individually responsible for the total long-term debt related to the Albright Care Services Obligated Group. For financial statement purpose, 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 Albright Care Services Obligated Group, there has never been a time that RiverWoods has been unable to pay its share of the debt of the Albright Care Services Obligated Group.

Being part of the Albright Care Services 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.

Long Term Financing

Currently, the Albright Care Services Obligated Group is responsible for a total long-term debt of \$9,748,096 which is allocated into the following two separate tax-exempt bond issuances.

Bond Series	Type	Maturity Date	Principle Outstanding (as of 12/31/2024)
PA Series 2014 Master Note	Variable Rate	2014-2040	4,438,102
PA Series 2018 Master Note	Variable Rate	2018-2035	5,309,994

Operating Reserves

Riverwoods maintains a statutory reserve of \$542,017 that is required by Pennsylvania law.

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 of 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

Names of Directors and Officers

Community Advisory Committee

RiverWoods 2024-2025

Dr. Barbara Kolmen, Chair
Ms. Kendra Aucker
Mr. Gerald (Gerry) Commerford
Mr. Andrew (Drew) Kauffman
Ms. Holly Kyle
Ms. Cynthia Peltier
Ms. Diane Reed
Ms. Kate Schaeffer
Mr. Aaron Barth, Executive Director

**ALBRIGHT CARE SERVICES, INC.
BOARD OF DIRECTORS
2025**

DIRECTORS (3-17)	Board Composition Qualifications
Eric M. Raski, Chair	UMC Lay Member
Andrew Joseph*, Vice Chair	Asbury Associate Board Member
Mary Goss	NR Resident
Barbara Kolmen	RW Resident
Diane McElwain	UMC Lay Member
Steve Takach	UMC Lay Member
Brian Wolfe	

*Pursuant to Section 5.D. of the ACS ByLaws, Andrew Joseph will remain on the Board until removed or no longer working at Asbury.

Class of 2025	Class of 2026	Class of 2027
S. Takach (2019-2028)	B. Kolmen (2023-2026)	E. M. Raski (2018-2027)
M. Goss (2025-2028)	B. Wolfe (2017-2026)	A. Joseph
D. McElwain (2020-2028)		

Executive Committee
Eric M. Raski, Chair
Andrew Joseph, V. Chair
Steve Takach, Director

Officers
Shaun Smith, President
Andrew Joseph, Secretary
Carol Klose, Assistant Secretary
Andrew Jeanneret, Treasurer

Exhibit

B

Residential and Personal Care Fees

RiverWoods Nursing Care

Center Charges

Effective January 1, 2024



Daily Long Term Rate	\$403 Semi-private / \$451 Private
Daily Rehabilitation & Transitional Care Rate	\$567 Semi-private / \$596 Private
Daily Memory Care Residence Rate	\$459 Semi-private / \$514 Private
Service	Charge
Beauty/Barber	<i>See attached charge sheet</i>
Cable TV	Included
Guest Meals in NCC	\$10 breakfast; \$13 lunch; \$13 dinner
Personal Laundry Services	\$58/month
Telephone	Local Telephone Company
Transportation without escort** **Holiday charges are doubled. <i>Rates based on total driving time</i>	No charge for on-campus transportation and activities sponsored by RiverWoods. Off campus: \$30/hour, 1 hour minimum. Additional time billed in 30-minute increments.
Transportation with escort** **Holiday charges are doubled. <i>Rates based on total driving time</i>	\$50/hour, 1 hour minimum. Additional time billed in 30-minute increments.

Meals in RidgeCrest Restaurant are billed at full price.

POTENTIAL ADDITIONAL CHARGES

The following items may not be covered by medical insurance: specialized medical equipment and supplies and oxygen, nutritional feeding and pump, wound care products, incontinence supplies, IV supplies, X-rays, laboratory tests, diagnostic tests, flu shots and pneumonia vaccines, personal purchases, therapy services (prevailing fee of Therapist), Pharmacy (billed by Albright Pharmacy), Physician/Consultant fees (billed by Provider).

Riverview Manor Personal Care Center Charges



Effective January 1, 2024

BED HOLD POLICY: First 30 days - 1/3 of current PC level room rate.
After 30 days - PC level 1 room rate.

Service	Charge
Beauty/Barber	<i>See attached charge sheet</i>
Cable TV	\$39/month
Guest Meals	\$10 breakfast; \$13 lunch; \$13 supper
Personal Laundry Services	\$58/month
Telephone	Local Telephone Company
Replacement FOB	\$37.50
Transportation without escort** **Holiday charges are doubled. <i>Rates based on total driving time</i>	No charge for on-campus transportation and activities sponsored by RiverWoods. Off campus: \$30/hour, 1 hour minimum. Additional time billed in 30-minute increments.
Transportation with escort** **Holiday charges are doubled. <i>Rates based on total driving time</i>	\$50/hour, 1 hour minimum. Additional time billed in 30-minute increments.

Meals in RidgeCrest Restaurant are billed at full price.

POTENTIAL ADDITIONAL CHARGES

The following items may not be covered by medical insurance: specialized medical equipment and supplies and oxygen, nutritional feeding and pump, wound care products, incontinence supplies, IV supplies, X-rays, laboratory tests, diagnostic tests, flu shots and pneumonia vaccines, personal purchases, therapy services (prevailing fee of Therapist), Pharmacy (billed by Albright Pharmacy), Physician/Consultant fees (billed by Provider).

RidgeCrest Apartment Charges

Effective January 1, 2024



One Bedroom Traditional

One person per month: \$1,642

Two people per month: \$2,066

Two Bedroom Traditional

One person per month: \$1,871

Two people per month: \$2,295

One Bedroom with Den

One person per month: \$1,755

Two people per month: \$2,179

Two Bedroom Deluxe

One person per month: \$1,944

Two people per month: \$2,368

Service	Charge
Beauty/Barber	<i>See attached charge sheet</i>
Guest Suite - small	\$105/night plus tax
Guest Suite - large	\$126/night plus tax
Cable Boxes - New Residents Only	<i>Installation charged at Maintenance hourly rate</i>
Maintenance Services	\$44/hour (charged in 15min increments)
Housekeeping Services	\$36/hour (charged in 30min increments)
Garage Door Opener Replacement	\$56
Monthly Meal Credits	\$235/person
Replacement FOB	\$37.50
Telephone	Local Telephone Company
Transportation without escort** **Holiday charges are doubled. <i>Rates based on total driving time</i>	No charge for on-campus transportation and activities sponsored by RiverWoods. Off campus: \$30/hour, 1 hour minimum. Additional time billed in 30-minute increments.
Transportation with escort** **Holiday charges are doubled. <i>Rates based on total driving time</i>	No charge for on-campus transportation and activities sponsored by RiverWoods. \$50/hour, 1 hour minimum. Additional time billed in 30-minute increments.
Transportation for groups of 6 or more riders	<ul style="list-style-type: none"> • 5-mile radius: \$66 (with 30-day notice, based on availability.) • Greater than 5 miles: \$66 plus \$30/hr. for each additional hour

Alcove Apartment: One Bedroom

One person per month: \$1,457

Two people per month: \$1,881

Alcove Apartment: Two Bedroom

One person per month: \$1,986

Two people per month: \$2,410

Service	Charge
Beauty/Barber	<i>See attached charge sheet</i>
Guest Suite - small	\$105/night plus tax
Guest Suite - large	\$126/night plus tax
Cable Boxes - New Residents Only	<i>Installation charged at Maintenance hourly rate</i>
Maintenance Services	\$44/hour (charged in 15min increments)
Housekeeping Services	\$36/hour (charged in 30min increments)
Garage Door Opener Replacement	\$56
Monthly Meal Credits	\$300/person
Replacement FOB	\$37.50
Telephone	Local Telephone Company
Transportation without escort** **Holiday charges are doubled. <i>Rates based on total driving time</i>	No charge for on-campus transportation and activities sponsored by RiverWoods. Off campus: \$30/hour, 1 hour minimum. Additional time billed in 30-minute increments.
Transportation with escort** **Holiday charges are doubled. <i>Rates based on total driving time</i>	No charge for on-campus transportation and activities sponsored by RiverWoods. \$50/hour, 1 hour minimum. Additional time billed in 30-minute increments.
Transportation for groups of 6 or more riders	<ul style="list-style-type: none"> • 5-mile radius: \$66 (with 30-day notice, based on availability.) • Greater than 5 miles: \$66 plus \$30/hr. for each additional hour

RiverWoods Garden Cottage/ Marquis Homes Charges

Effective January 1, 2024



Service	Charge
Beauty/Barber	<i>See attached charge sheet</i>
Guest Suite - small	\$105/night plus tax
Guest Suite - large	\$126/night plus tax
Cable Boxes - New Residents Only	<i>Installation charged at Maintenance hourly rate</i>
Maintenance Services	\$44/hour (charged in 15min increments)
Housekeeping Services	\$36/hour (charged in 30min increments)
Garage Door Opener Replacement	\$56
Television	\$39
Monthly Meal Credits	\$15/person
Telephone	Local Telephone Company
Transportation without escort** **Holiday charges are doubled. <i>Rates based on total driving time</i>	No charge for on-campus transportation and activities sponsored by RiverWoods. Off campus: \$30/hour, 1 hour minimum. Additional time billed in 30-minute increments.
Transportation with escort** **Holiday charges are doubled. <i>Rates based on total driving time</i>	No charge for on-campus transportation and activities sponsored by RiverWoods. \$50/hour, 1 hour minimum. Additional time billed in 30-minute increments.
Transportation for groups of 6 or more riders	<ul style="list-style-type: none"> • 5-mile radius: \$66 (with 30-day notice, Based on availability.) • Greater than 5 miles: \$66 plus \$30/hr. for each additional hour

Exhibit

C

Residential Fee History

Single Occupant Rate History of Resident Units at RiverWoods

Year	Personal Care	Independent Living		
		Cottages	Apartments	Alcove
2020	\$91 to \$190	\$1,310	\$1,289 to \$1,527	\$1,145 to \$1,559
2021	\$95 to \$196	\$1,349	\$1,328 to \$1,573	\$1,179 to \$1,606
2022	\$100 to \$207	\$1,410	\$1,380 to \$1,634	\$1,225 to \$1,669
2023	\$108 to \$209	\$1,597 to \$2,575	\$1,564 to \$1,851	\$1,388 to \$1,891
2024	\$149 to \$249	\$1,677 to \$2,704	\$1,642 to \$1,944	\$1,457 to \$1,986

Exhibit

D

Albright Care Services, Inc. Audited Financial Statements



Mr. Michael Humphreys
Insurance Commissioner
Commonwealth of Pennsylvania
Insurance Department
1326 Strawberry Square
Harrisburg, Pennsylvania 17120

Dear Commissioner Humphreys:

We have audited, in accordance with U.S. generally accepted auditing standards, the consolidated financial statements of Albright Care Services and Subsidiary for the year ended December 31, 2024, and have issued our report thereon dated April 17, 2025. In connection therewith, we advise you as follows:

- a. We are independent certified public accountants with respect to Albright Care Services and Subsidiary and conform to the standards of the accounting profession as contained in the Code of Professional Conduct and pronouncements of the American Institute of Certified Public Accountants, and the Rules of Professional Conduct of the Pennsylvania Board of Public Accountancy.
- b. The engagement principal, who is a certified public accountant, has 17 years of experience in public accounting and three years as a nonprofit senior living CFO, and is experienced in auditing continuing care retirement communities. Members of the engagement team, some of whom have had experience in auditing continuing care retirement communities and 50% of whom are certified public accountants, were assigned to perform tasks commensurate with their training and experience.
- c. We understand that Albright Care Services and Subsidiary intends to file the audited financial statements of Albright Care Services and Subsidiary and our report thereon with the Commonwealth of Pennsylvania Insurance Department (the Insurance Department) and that the Commonwealth of Pennsylvania Insurance Commissioner (the Insurance Commissioner) will be relying on that information in monitoring and regulating the financial condition of Albright Care Services and Subsidiary.

While we understand that an objective of issuing a report on the financial statements is to satisfy regulatory requirements, our audit was not planned to satisfy all objectives or responsibilities of insurance regulators. In this context, Albright Care Services and Subsidiary and the Insurance Commissioner should understand that the objectives of an audit of financial statements in accordance with U.S. generally accepted auditing standards is to form an opinion and issue a report on whether the financial statements present fairly, in all material respects, the financial position, results of operations, changes in net deficit and cash flows in conformity with U.S. generally accepted accounting principles.

We have the responsibility, within the inherent limitations of the auditing process, to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud, and to exercise due professional care in the conduct of the audit. The concept of selective testing of the data being audited, which involves judgment both as to the number of transactions to be audited and the areas to be tested, has been generally accepted as a valid and sufficient basis for an auditor to express an opinion on financial statements. Audit procedures that are effective for detecting errors, if they exist, may be ineffective for detecting misstatements resulting from fraud. Because of the characteristics of fraud, particularly those involving concealment and falsified documentation (including forgery), a properly planned and performed audit may not detect a material misstatement resulting from fraud. In addition, an audit does not address the possibility that material errors or misstatements caused by fraud may occur in the future. Also, our use of professional judgment and the assessment of materiality for the purpose of our audit means that matters may exist that would have been assessed differently by the Insurance Commissioner.

It is the responsibility of the management of Albright Care Services and Subsidiary to adopt sound accounting policies, to maintain an adequate and effective system of accounts, and to establish and maintain internal control that will, among other things, provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with U.S. generally accepted accounting principles.

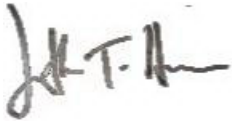
The Insurance Commissioner should exercise due diligence to obtain whatever other information that may be necessary for the purpose of monitoring and regulating the financial position of continuing care retirement communities and should not rely solely upon the independent auditors' report.

- d. We will retain the workpapers prepared in the conduct of our audit until the Insurance Department has filed a Report of Examination covering 2024, but no longer than seven years. After notification to the Albright Care Services and Subsidiary, we will make the workpapers available for review by the Insurance Department at the offices of Albright Care Services and Subsidiary, at our offices, at the Insurance Department or at any other reasonable place designated by the Insurance Commissioner. Furthermore, in the conduct of the aforementioned periodic review by the Insurance Department, photocopies of pertinent audit workpapers may be made (under the control of the accountant) and such copies may be retained by the Insurance Department.
- e. The engagement principal has served in that capacity with respect to the Albright Care Services and Subsidiary since the year ended December 31, 2023 and is an active, licensed Certified Public Accountant, and is a member in good standing of the American Institute of Certified Public Accountants.
- f. To the best of our knowledge and belief, we are in compliance with the requirements of Section 7 of the NAIC's *Model Rule (Regulation) Requiring Annual Audited Financial Reports* regarding qualifications of independent certified public accountants.

Mr. Michael Humphreys
Commonwealth of Pennsylvania
Page 3

This report is intended solely for the information and use of the board of directors and management of Albright Care Services and Subsidiary and the Insurance Department, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

A handwritten signature in black ink, appearing to read "J. Hansen", with a stylized flourish at the end.

Jonathan Hansen, CPA

Timonium, Maryland
April 17, 2025

ALBRIGHT CARE SERVICES AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2024 AND 2023



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**ALBRIGHT CARE SERVICES AND AFFILIATE
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Albright Care Services and Affiliate
Lewisburg, Pennsylvania

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Albright Care Services and Affiliate, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Albright Care Services and Affiliate as of December 31, 2024 and 2023, and the results of their operations, changes in net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Albright Care Services and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Albright Care Services and Affiliate's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Timonium, Maryland
April 17, 2025

**ALBRIGHT CARE SERVICES AND AFFILIATE
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023**

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,762,797	\$ 7,341,784
Investments	17,523,640	13,254,449
Accounts Receivable	4,414,773	3,851,077
Allowance for Credit Losses	(1,135,293)	(698,463)
Other Receivables and Prepaid Expenses	2,289,858	1,955,520
Total Current Assets	26,855,775	25,704,367
Property and Equipment, Net	41,082,294	54,226,900
Right-of-Use Assets - Operating Leases, Net	9,639,515	10,694,393
Right-of-Use Assets - Finance Leases, Net	318,389	442,321
Investments Restricted By Donors	4,178,608	5,412,474
Investments Held Under Bond Indenture	697,748	723,825
Deposits and Other Assets	483,939	490,495
Intangible Assets	711,029	1,160,099
Statutory Reserves	1,625,152	2,139,058
Funds Held In Trust	4,609,022	4,242,719
Beneficial Interest in Net Assets of Foundation	2,431,917	1,794,196
Valuation of Derivative Instruments	193,895	289,042
Total Assets	\$ 92,827,283	\$ 107,319,889
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,280,858	\$ 1,236,541
Accrued Compensation and Related Items	305,388	267,347
Accrued Interest Payable	38,148	74,914
Obligation Under Deferred-Giving Arrangements	23,026	37,106
Deposits From Prospective Residents and Other Deposits	597,309	405,386
Entrance Fees - Refundable	213,721	766,123
Deferred Revenue	1,222,440	993,390
Reserve for LIFE Program	2,250,381	3,454,003
Current Portion of Lease Liabilities - Operating Leases	918,322	981,963
Current Portion of Lease Liabilities - Finance Leases	127,397	140,882
Current Maturities of Long-Term Debt	998,551	1,608,583
Total Current Liabilities	7,975,541	9,966,238
Due to ACOMM, Net	23,658,776	21,098,593
Long-Term Lease Liabilities - Operating Leases, Net of Current	9,023,843	9,937,369
Long-Term Lease Liabilities - Finance Leases, Net of Current	189,139	293,836
Long-Term Debt, Net of Current	11,586,226	19,556,499
Contingent Refundable Entrance Fee Liability	5,126,795	5,111,507
Entrance Fees - Deferred Revenue	23,123,919	22,444,557
Obligation Under Deferred-Giving Arrangements	75,941	91,335
Total Liabilities	80,760,180	88,499,934
NET ASSETS		
Without Donor Restrictions	369,718	7,917,115
With Donor Restrictions	11,697,385	10,902,840
Total Net Assets	12,067,103	18,819,955
Total Liabilities and Net Assets	\$ 92,827,283	\$ 107,319,889

See accompanying Notes to Consolidated Financial Statements.

**ALBRIGHT CARE SERVICES AND AFFILIATE
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
REVENUE, GAINS, AND OTHER SUPPORT		
Resident and Client Services Revenue	\$ 62,780,323	\$ 58,468,719
Other Operating Revenue	4,524,826	5,123,576
Amortization of Entrance Fees	3,596,235	3,594,713
Interest and Dividend Income, Net	970,692	458,928
Net Realized Gains (Losses) on Investments	1,013,331	(686,411)
Net Unrealized Gain on Equity Security Investments	408,408	1,823,490
Allocations from Asbury Foundation, Inc.	1,142,750	530,216
Total Revenues, Gains, and Other Support	74,436,565	69,313,231
EXPENSES		
Salaries	25,208,623	23,825,982
Employee Benefits	6,075,998	6,054,707
Contract Labor	4,313,953	4,127,658
Food Purchases	1,539,482	1,422,934
Medical Supplies and Other Resident Costs	20,893,301	16,827,255
General and Administrative	2,014,303	1,893,020
Building and Maintenance	7,145,167	6,904,204
Professional Fees and Property Insurance	864,194	713,405
Interest	1,710,404	1,433,156
Taxes	222,616	208,026
Provision for Credit Losses	676,335	407,161
Depreciation and Amortization	6,061,015	5,765,443
Service and Other Fees	6,440,401	5,107,083
Total Expenses	83,165,792	74,690,034
LOSS FROM OPERATIONS PRIOR TO LOSS ON DISPOSAL OF ASSETS, LOSS ON DISCONTINUED OPERATIONS, AND UNREALIZED LOSS ON DERIVATIVE FINANCIAL INSTRUMENTS		
	(8,729,227)	(5,376,803)
Loss on Disposal of Assets	-	(505,795)
Loss on Discontinued Operations	(2,860,933)	-
Unrealized Loss on Derivative Financial Instruments	(95,147)	(85,434)
Total Nonoperating Loss	(2,956,080)	(591,229)
LOSS FROM OPERATIONS	\$ (11,685,307)	\$ (5,968,032)

See accompanying Notes to Consolidated Financial Statements.

**ALBRIGHT CARE SERVICES AND AFFILIATE
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Loss from Operations	\$ (11,685,307)	\$ (5,968,032)
Change in Value of Deferred-Giving Arrangements	(3,275)	(19,767)
Net Unrealized Gain on Fixed Income Securities and Other Investments	377,587	604,915
Transfer of Capital	3,733,679	2,000,000
Net Assets Released from Restrictions Used for Purchase of Capital Items	29,919	-
Net Decrease in Net Assets Without Donor Restrictions	(7,547,397)	(3,382,884)
NET ASSETS WITH DONOR RESTRICTIONS		
Investment Income, Net	700,994	764,210
Change in Value of Deferred-Giving Arrangements	(1,188)	(4,311)
Change in Beneficial Interest in Net Assets of Foundation	652,693	156,207
Net Assets Released from Restrictions Used for Purchase of Capital Items	(29,919)	-
Other Changes	(528,035)	-
Net Increase in Net Assets With Donor Restrictions	794,545	916,106
CHANGE IN NET ASSETS	(6,752,852)	(2,466,778)
Net Assets - Beginning of Year	18,819,955	21,286,733
NET ASSETS - END OF YEAR	\$ 12,067,103	\$ 18,819,955

See accompanying Notes to Consolidated Financial Statements.

**ALBRIGHT CARE SERVICES AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (6,752,852)	\$ (2,466,778)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Provision for Credit Losses	676,335	407,161
Depreciation and Amortization	5,909,057	5,620,902
Amortization of Deferred Financing Costs	50,797	50,172
Amortization of Right-of-Use Asset - Finance Leases	151,958	144,541
Gain on Disposal of Assets	-	(505,795)
Loss on Discontinued Operations	2,860,833	-
Straight-Line Rent Adjustment	77,711	28,885
Amortization of Entrance Fees	(3,596,235)	(3,594,713)
Net Proceeds from Nonrefundable Entrance Fees	4,539,202	5,663,073
Net Unrealized Gain on Investments	(785,995)	(2,428,405)
Net Realized (Gain) Loss on Investments	(1,013,331)	686,411
Unrealized Loss on Change in Market Value of Derivative Instruments	95,147	85,434
Changes in Value of Deferred-Giving Arrangements	4,463	24,078
Change in Funds Held In Trust	(366,303)	(370,450)
Change in Beneficial Interest in Net Assets of Foundation	(637,721)	(156,207)
Transfer from ACOMM	(3,733,679)	(2,000,000)
Changes in Assets and Liabilities:		
Accounts Receivable	(803,201)	(579,235)
Other Receivables and Prepaid Expenses	(364,814)	348,611
Deferred Revenue	(323,349)	685,716
Deferred Entrance Fees	265	(102,400)
Accounts Payable and Accrued Expenses	(1,299,359)	1,093,078
Accrued Interest Payable	(36,766)	5,128
Net Cash Provided (Used) by Operating Activities	(5,347,837)	2,639,207
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment, Net	(2,027,489)	(2,907,458)
Purchases of Investments	(25,673,041)	(5,719,044)
Sales of Investments	24,437,042	5,254,247
Net Proceeds from Sale of Riverwoods Skilled Nursing Facility	7,058,983	-
Acquisition of LIFE Programs	-	(1,500,000)
Net Cash Provided (Used) by Investing Activities	3,795,495	(4,872,255)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Refundable Entrance Fees and Refundable Deposits	304,100	996,025
Refunds from Refundable Entrance Fees and Refundable Deposits	(360,497)	(1,103,456)
Payments on Long-Term Debt	(8,631,102)	(1,541,241)
Payments on Finance Leases	(146,208)	(129,468)
Payments on Deferred Financing Costs	-	(4,100)
Net Cash Distributed for Deferred-Giving Arrangements	(23,025)	(33,857)
Change in Due to ACOMM, Net	2,560,183	4,873,960
Transfer from ACOMM	3,733,679	2,000,000
Net Cash Provided (Used) by Financing Activities	(2,562,870)	5,057,863
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(4,115,212)	2,824,815
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	10,233,795	7,408,980
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 6,118,583	\$ 10,233,795
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 1,696,373	\$ 1,377,856
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Right-of-Use Asset Received in Exchange for Finance Leases	\$ 28,025	\$ 166,380
Right-of-Use Asset Received in Exchange for Operating Leases	\$ 163,518	\$ 7,170,957

See accompanying Notes to Consolidated Financial Statements.

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 ORGANIZATION

Albright Care Services

Albright Care Services (Albright) is a nonprofit corporation that operates two continuing care retirement communities, Riverwoods (RW) located in Lewisburg, Pennsylvania and Normandie Ridge (NR) located in York, Pennsylvania, that provides housing, healthcare, and other related services to elderly residents through the operation of nursing facilities, personal care facilities, and residential living units. Albright also operates Albright Pharmacy Services located in Pennsylvania and Maryland and Albright Living Independence for Elderly (LIFE) Programs located in Lebanon, Lancaster, Lycoming, Chester, Cumberland County, and Franklin County, Pennsylvania.

Warrior Run Manor, Inc.

Warrior Run Manor Inc. (Warrior Run) is a nonprofit corporation that operates a 75-unit rental housing project for the elderly located in Watsontown, Pennsylvania (the Project). The Project is operated under Section 202 and 207 pursuant to Section 223(f) of the National Housing Act and regulated by the U.S. Department of Housing and Urban Development (HUD) with respect to rental charges and operating methods. Under this program, the Project was provided with a HUD-insured loan to refinance the Project's existing indebtedness. The Project is also subject to Section 8 Housing Assistance Payments agreements with HUD, and a significant portion of the Project's rental income is received from HUD. The housing assistance payments recognized under this contract during the years ended December 31, 2024 and 2023 were \$545,920 and \$529,071, respectively. The Project's major programs are its Section 207 pursuant to Section 223(f) insured loan and its Section 8 rent subsidy.

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

Asbury Affiliation

On January 1, 2020, Albright became an affiliate of Asbury Communities, Inc. (ACOMM), by ACOMM serving as the supporting organization for Albright. ACOMM was organized on August 1, 1994, as a Maryland nonprofit organization to provide executive and comprehensive administrative functions, as well as policy and overall planning guidance, to its supported organizations. Albright retained an option to terminate the affiliation the first year. After December 31, 2020, that option expired and the affiliation was finalized.

As it relates to Albright and Warrior Run, the affiliation is intended to increase and enhance the lifestyle and health care options of those who reside at Albright and Warrior Run now and in the future.

ACOMM serves as the supporting organization of Asbury Atlantic, Inc. (Asbury Atlantic); Asbury Communities HCBS, Inc. (HCBS); Bethany Development Corp. (BDC); Albright Care Services; and Asbury Living, Inc. (Asbury Living). Asbury Atlantic has operating affiliates comprised of Asbury Methodist Village (AMV), Asbury Solomons (AS), Bethany Village (BV), 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. (TAG). Additionally, ACOMM is the sole member of Asbury Foundation, Inc. (AFOUND).

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 ORGANIZATION (CONTINUED)

Sale of Riverwoods Skilled Nursing Facility and Loss on Discontinued Operations

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

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

Business Combination

On October 7, 2021, Albright entered into an asset purchase agreement with SpiriTrust Lutheran LIFE (SpiriTrust) to buy SpiriTrust's right, title, and interest in the two LIFE Program operations located in Franklin County, Pennsylvania and Cumberland County, Pennsylvania. The transaction closed on August 1, 2023 and all activity since the date of acquisition is included in the consolidated statements of operations and changes in net assets for the years ended December 31, 2024 and 2023. The total purchase price of the acquisition was \$1,500,000 consisting of \$935,256 in cash, \$463,810 of receivables cleared that were due from SpiriTrust to ThriveWell Tech, LLC (owned by TAG), and \$100,934 of service fee receivables cleared that were due from SpiriTrust to Albright. Albright accounted for the acquisition using the purchase method of accounting. The purchase price was allocated to tangible and intangible assets acquired based on their estimated fair values at the acquisition date.

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

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

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

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

Use of Estimates

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

Cash, Cash Equivalents, and Restricted Cash

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

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

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 3,762,797	\$ 7,341,784
Statutory Reserves	1,625,152	2,139,058
Other Receivables and Prepaids:		
Restricted Mortgage Escrows	32,886	29,128
Investments Held Under Bond Indenture:		
Replacement Reserve	227,705	287,939
Residual Receipts	470,043	435,886
Total	<u>\$ 6,118,583</u>	<u>\$ 10,233,795</u>

Accounts Receivable and Allowance for Credit Losses

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

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

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses (Continued)

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 63% of total resident and client services revenues for both the years ended December 31, 2024 and 2023.

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 \$1,135,293 and \$698,463, respectively.

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	\$ 698,463	\$ 540,572
Provision for Losses	591,966	406,256
Amounts Written Off	(225,454)	(249,231)
Recoveries	70,318	866
Balance, End of Year	\$ 1,135,293	\$ 698,463

Inventories

Inventories are stated at the lower of cost or net realizable value on a first-in, first-out basis. Net realizable value is the value of an asset that can be realized upon the sale of the asset, less a reasonable estimate of the costs associated with either the eventual sale or the disposal of the asset in question. Inventories of \$939,064 and \$1,122,763 are included in other receivables and prepaid expenses on the consolidated balance sheets at December 31, 2024 and 2023, respectively.

Intangible Assets

In 2023, the Company recorded \$1,347,212 of intangible assets from the acquisition of the two LIFE Program operations located in Franklin County and Cumberland County, Pennsylvania for the customer lists. The Company amortizes these intangible assets using the straight-line method over the estimated useful lives of the intangible assets from the date of acquisition, which is 3 years. Amortization of intangible assets was \$449,070 and \$187,113 for the years ended December 31, 2024 and 2023, respectively.

The Company reviews intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the assets are less than its carrying amount, management compares the carrying amount of the asset to its fair value in order to determine whether an impairment loss has occurred. The amount of impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss on intangible assets was recognized for the years ended December 31, 2024 and 2023.

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Income

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

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

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

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

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

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Income (Continued)

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

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

Strategies Employed for Achieving Objectives

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

Derivatives Policy – Debt

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

Leases

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

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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

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

Property and Equipment

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

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

The Company reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss was recognized during 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 consolidated statements of operations. Advertising expense was \$46,011 and \$94,737 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 Company.

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Collections

The Company's collections included art and other items of historical significance and were maintained in the Slifer House Museum, located on its RW campus. The collections, which were acquired through contributions, were recognized at fair value based upon an appraisal. Gains or losses from deaccessions of these items are reported on the accompanying consolidated statements of changes in net assets in the net assets with donor restrictions. Donated collections of \$-0- and \$528,035 are included in property and equipment, net in the consolidated balance sheets for the years ended December 31, 2024 and 2023, respectively.

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

Funds Held In Trust

The Company has received as contributions various types of split-interest obligations, including perpetual trusts. Under the perpetual trust agreements, the Company has recorded the asset and recognized permanently restricted contribution revenue at the fair market value of their beneficial interest in the trust assets. Income earned on the trust assets and distributed to the Company is recorded as investment income on the consolidated statements of operations, unless otherwise restricted by the donor. Subsequent changes in fair value are recorded as unrealized gain (loss) or investment income, net based on donor intent.

Obligations Under Deferred-Giving Arrangements

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

Beneficial Interest in Net Assets of Foundation

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

Continuing Care Contracts

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

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Client Services Revenue

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

Generally, the Company bills the residents and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Company. Revenue for performance obligations satisfied over time is recognized based on actual charges. The Company believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facility receiving skilled nursing services or residents receiving services in the facility. The Company measures the performance obligation from admission into the facility, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the residents and the Company does not believe it is required to provide additional goods or services related to that sale.

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

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

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

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Client Services Revenue (Continued)

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

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

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

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

	<u>2024</u>	<u>2023</u>
Entrance Fees - Refundable	\$ 213,721	\$ 766,123
Contingent Refundable Entrance Fees	5,126,795	5,111,507
Entrance Fees - Deferred Revenue:		
50% to 100% Refundable Contracts	1,337,748	1,510,405
Standard Entrance Fee Option Contracts:		
Five Year Contracts	19,958,234	19,121,355
Seven Year Contracts	1,446,468	1,785,666
Ten Year Contracts	-	1,096
Fifty Month Contracts	360,208	-
Nonrefundable Contracts	<u>21,261</u>	<u>26,035</u>
Total Entrance Fees - Deferred Revenue	<u>23,123,919</u>	<u>22,444,557</u>
Total Entrance Fees	<u>\$ 28,464,435</u>	<u>\$ 28,322,187</u>

Personal care and nursing services provided to Albright's residential living residents are paid for on a "fee-for-service" basis and are not included under the entrance fee plans.

The Company has an agreement with third-party payors that provide for reimbursement to the Company at amounts different from its established rates. Explicit price concessions under third-party reimbursement programs represent the difference between the Company's billings at established rates for services and amounts reimbursed by third-party payors.

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Client Services Revenue (Continued)

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

	<u>2024</u>	<u>2023</u>
Medicaid	\$ 18,711,075	\$ 17,521,445
Medicare	20,563,016	19,131,455
Managed Care	490,472	679,493
Private Pay	<u>23,015,760</u>	<u>21,136,326</u>
Total Resident Services Revenue	<u><u>\$ 62,780,323</u></u>	<u><u>\$ 58,468,719</u></u>

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

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

	<u>2024</u>					<u>Total</u>
	<u>Riverwoods</u>	<u>Normandie</u>		<u>Pharmacy</u>	<u>Other</u>	
		<u>Ridge</u>	<u>LIFE Program</u>			
Service Lines:						
Skilled Nursing Facility	\$ 11,214,233	\$ 9,547,343	\$ -	\$ -	\$ -	\$ 20,761,576
Assisted Living	2,218,155	2,503,710	-	-	-	4,721,865
Independent Living	2,620,230	3,054,651	-	-	(113,739)	5,561,142
Life Program	-	-	24,938,098	-	-	24,938,098
Pharmacy	-	-	-	6,626,096	-	6,626,096
Retail Sales	104,961	66,585	-	-	-	171,546
Total	<u>\$ 16,157,579</u>	<u>\$ 15,172,289</u>	<u>\$ 24,938,098</u>	<u>\$ 6,626,096</u>	<u>\$ (113,739)</u>	<u>\$ 62,780,323</u>
Method of Reimbursement:						
Fee for Services	\$ 16,052,618	\$ 15,105,704	\$ 24,938,098	\$ 6,626,096	\$ (113,739)	\$ 62,608,777
Retail Sales	104,961	66,585	-	-	-	171,546
Total	<u>\$ 16,157,579</u>	<u>\$ 15,172,289</u>	<u>\$ 24,938,098</u>	<u>\$ 6,626,096</u>	<u>\$ (113,739)</u>	<u>\$ 62,780,323</u>
Timing of Revenue and Recognition:						
Health Care Services Transferred						
Over Time	\$ 16,052,618	\$ 15,105,704	\$ 24,938,098	\$ 6,626,096	\$ (113,739)	\$ 62,608,777
Sales at Point in Time	104,961	66,585	-	-	-	171,546
Total	<u>\$ 16,157,579</u>	<u>\$ 15,172,289</u>	<u>\$ 24,938,098</u>	<u>\$ 6,626,096</u>	<u>\$ (113,739)</u>	<u>\$ 62,780,323</u>

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Client Services Revenue (Continued)

	2023					Total
	Normandie		LIFE Program	Pharmacy	Other	
	Riverwoods	Ridge				
Service Lines:						
Skilled Nursing Facility	\$ 11,205,165	\$ 8,783,534	\$ -	\$ -	\$ -	\$ 19,988,699
Assisted Living	2,075,987	2,424,876	-	-	-	4,500,863
Independent Living	2,550,444	2,833,403	-	-	(103,523)	5,280,324
Life Program	-	-	22,866,327	-	-	22,866,327
Pharmacy	-	-	-	5,611,338	-	5,611,338
Retail Sales	157,560	63,608	-	-	-	221,168
Total	<u>\$ 15,989,156</u>	<u>\$ 14,105,421</u>	<u>\$ 22,866,327</u>	<u>\$ 5,611,338</u>	<u>\$ (103,523)</u>	<u>\$ 58,468,719</u>
Method of Reimbursement:						
Fee for Services	\$ 15,831,596	\$ 14,041,813	\$ 22,866,327	\$ 5,611,338	\$ (103,523)	\$ 58,247,551
Retail Sales	157,560	63,608	-	-	-	221,168
Total	<u>\$ 15,989,156</u>	<u>\$ 14,105,421</u>	<u>\$ 22,866,327</u>	<u>\$ 5,611,338</u>	<u>\$ (103,523)</u>	<u>\$ 58,468,719</u>
Timing of Revenue and Recognition:						
Health Care Services Transferred						
Over Time	\$ 15,831,596	\$ 14,041,813	\$ 22,866,327	\$ 5,611,338	\$ (103,523)	\$ 58,247,551
Sales at Point in Time	157,560	63,608	-	-	-	221,168
Total	<u>\$ 15,989,156</u>	<u>\$ 14,105,421</u>	<u>\$ 22,866,327</u>	<u>\$ 5,611,338</u>	<u>\$ (103,523)</u>	<u>\$ 58,468,719</u>

Contract Costs

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

Benevolent Care

The Company's policy is to track those expenses for residents in its facilities who cannot pay for all or a portion of their care and to define these expenses as benevolent care. Because the Company does not pursue collection of amounts determined to qualify as benevolent care, they are not reflected as revenue in the accompanying consolidated financial statements. Benevolent care provided to residents for the years ended December 31, 2024 and 2023 was \$750,033 and \$733,818, 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	
	Normandie Ridge	Riverwoods	Normandie Ridge	Riverwoods
Total Skilled Nursing Center Occupancy	96%	76%	94%	77%
Medicaid	45%	63%	48%	62%
Medicare	25%	20%	26%	17%
Private Pay and Other	30%	17%	26%	21%

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$3,285,783 and \$4,474,461, respectively. The PRF and FEMA funds are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At December 31, 2024 and 2023, the Company recognized \$3,759,955 and \$3,814,159, respectively, as other operating revenue in the consolidated statements of operations. At December 31, 2024 and 2023, the Company recognized \$186,131 and \$660,302, respectively, as deferred revenue in the consolidated 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 the Company are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as restricted support if they are received with contribution-donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net deficit as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated statements of operations and changes in net deficit. Net assets with donor restrictions that are permanent in nature represent donor-restricted endowments to be held in perpetuity.

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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 (Loss) from Operations

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

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status

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

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

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

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

Fair Value Measurements

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

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

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

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

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

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

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

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

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

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

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

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

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

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these consolidated financial statements, the Company evaluated events that occurred through April 17, 2025, the date the consolidated financial statements were issued, for potential recognition or disclosure.

NOTE 3 LIQUIDITY AND AVAILABILITY

As of December 31, 2024 and 2023, the Company has working capital of \$18,880,234 and \$15,738,129, respectively.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated balance sheet date, consist of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 3,762,797	\$ 7,341,784
Investments	17,523,640	13,254,449
Accounts Receivable, Net	3,279,480	3,152,614
Other Receivables	2,289,858	1,955,520
Investments Held Under Bond Indenture	697,748	723,825
Total	<u>\$ 27,553,523</u>	<u>\$ 26,428,192</u>

The Company has certain investments which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above. The Company has other assets limited to use such as statutory liquid reserves. These assets limited to use, which are more fully described in Note 6 are not available for general expenditure within the next year and are not reflected in the amounts above.

NOTE 4 REGULATORY ENVIRONMENT

Medicare and Medicaid

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

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Medicare and Medicaid (Continued)

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

Medicaid Reimbursement

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

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

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

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

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.

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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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 or 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 and client 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, the Company is required by the Continuing Care Provider Registrations and Disclosure Act of 1984 to maintain a working capital reserve equivalent to the greater of the total of debt service payments due during the next 12 months on account of any loans or 10% of the projected annual operating expenses, exclusive of depreciation and amortization, computed only on the proportional share of financing or operating expenses that is applicable to residents of Normandie Ridge and Riverwoods under continuing care agreements.

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4 REGULATORY ENVIRONMENT (CONTINUED)

Pennsylvania Department of Insurance Reserve Requirements (Continued)

The statutory minimum liquid reserve requirement for Normandie Ridge as of December 31, 2024 and 2023 is \$1,083,135 and \$1,028,278, respectively, and is based on 10% of the projected annual operating expenses exclusive of depreciation and amortization. The statutory minimum liquid reserve requirement as of December 31, 2024 and 2023 for Normandie Ridge is as follows:

	<u>2024</u>	<u>2023</u>
Projected Annual Interest Expense	\$ 244,353	\$ 236,676
Principal Payments Due on Long-Term Debt	445,113	759,335
Liquid Reserve Requirement	<u>689,466</u>	<u>996,011</u>
Projected Annual Operating Expenses	17,051,872	16,157,726
Minimum Rate	10%	10%
Liquid Reserve Requirement	<u>1,705,187</u>	<u>1,615,773</u>
Maximum Liquid Reserve Requirement	1,705,187	1,615,773
Approximate Percentage of Continuing Care Clients	<u>64%</u>	<u>64%</u>
Statutory Minimum Liquid Reserve	<u><u>\$ 1,083,135</u></u>	<u><u>\$ 1,028,278</u></u>

The statutory minimum liquid reserve requirement for Riverwoods as of December 31, 2024 and 2023 is \$542,017 and \$1,110,780, respectively. The 2024 calculation is based on projected annual debt service requirements and the 2023 calculation is based on 10% of the projected annual operating expenses exclusive of depreciation and amortization. The statutory minimum liquid reserve requirement as of December 31, 2024 and 2023 for Riverwoods is as follows:

	<u>2024</u>	<u>2023</u>
Projected Annual Interest Expense	\$ 236,146	\$ 274,602
Principal Payments Due on Long-Term Debt	471,263	770,053
Liquid Reserve Requirement	<u>707,409</u>	<u>1,044,655</u>
Projected Annual Operating Expenses	5,901,005	21,669,536
Minimum Rate	10%	10%
Liquid Reserve Requirement	<u>590,101</u>	<u>2,166,954</u>
Maximum Liquid Reserve Requirement	707,409	2,166,954
Approximate Percentage of Continuing Care Clients	<u>77%</u>	<u>51%</u>
Statutory Minimum Liquid Reserve	<u><u>\$ 542,017</u></u>	<u><u>\$ 1,110,780</u></u>

The Company receives deposits for independent living units prior to a resident taking occupancy of that unit. The Company is required to maintain certain deposits in escrow which is assets whose use is limited, an interest-bearing account, on the consolidated balance sheets.

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 5 CONCENTRATIONS OF CREDIT RISK

The Company grants credit without collateral to its residents, some of whom are insured under third-party payor agreements. The mix of receivables from patients and third-party payors as of December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Private Pay	36 %	34 %
Medicaid	26	23
Medicare	23	26
Other (Primarily Managed Care and Insurance)	15	17
Total	<u>100 %</u>	<u>100 %</u>

NOTE 6 INVESTMENTS

The investment portfolios, including assets whose use is limited and investments restricted by the board, consisted of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Investments:		
Cash and Short-Term Investments	\$ 840,627	\$ 225,054
Fixed Income Mutual Funds	5,057,159	5,400,847
Equity Mutual Funds	11,249,029	5,564,099
Alternative Investments	376,825	2,064,449
Total Investments	<u>\$ 17,523,640</u>	<u>\$ 13,254,449</u>
Investments Restricted by Donors:		
Cash and Short-Term Investments	\$ 1,352,749	\$ 90,305
Fixed Income Mutual Funds	825,719	1,313,408
Equity Mutual Funds	2,000,140	4,008,761
Total Investments Restricted by Donors	<u>\$ 4,178,608</u>	<u>\$ 5,412,474</u>
Statutory Reserves:		
Cash and Short-Term Investments	<u>\$ 1,625,152</u>	<u>\$ 2,139,058</u>
Investments Held under Bond Indenture:		
Cash and Short-Term Investments	<u>\$ 697,748</u>	<u>\$ 723,825</u>

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6 INVESTMENTS (CONTINUED)

The total return on investments without donor restrictions, along with investments classified as assets whose use is limited and investments restricted by the board, including the change in the market value of derivative instruments, generated net investment income, excluding capitalized interest income, is as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Included within the Performance Indicator:		
Interest and Dividend Income, Net	\$ 970,692	\$ 458,928
Net Realized Gain (Loss) on Investments	1,013,331	(686,411)
Net Unrealized Gain on Equity Security Investments	408,408	1,823,490
Unrealized Loss on Derivative Financial Instruments	(95,147)	(85,434)
Total	2,297,284	1,510,573
Included in Other Changes in Net Assets:		
Net Unrealized Gain on Fixed Income Securities and Other Investments	377,587	604,915
Included in Net Assets With Donor Restrictions:		
Investment Income, Net	700,994	764,210
Total	\$ 3,375,865	\$ 2,879,698

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, the Company did not identify any other than temporary declines in the fair value of investments.

NOTE 7 BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION

AFOUND was established to solicit, receive, hold, invest, and reinvest donations and bequests, which are made primarily for the benefit of AMV, AS, BV, SH, and Albright. The Company records an interest in the net assets of AFOUND resulting from contributions with donor restrictions that are solicited and held by AFOUND to be used for the benefit of the Company. The Company's beneficial interest in the net assets of AFOUND was \$2,431,917 and \$1,749,196 as of December 31, 2024 and 2023, respectively.

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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

The balance sheets of AFOUND consisted of the following as of 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, 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.

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 8 PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2024 and 2023:

	Useful Life	2024	2023
Land and Improvements	10 to 40 Years	\$ 7,148,740	\$ 7,858,508
Buildings and Improvements	10 to 40 Years	89,116,359	103,934,798
Furniture and Equipment	2 to 15 Years	12,775,182	17,562,070
Construction in Progress		23,569	23,569
Total		109,063,850	129,378,945
Less: Accumulated Depreciation		(67,981,556)	(75,152,045)
Property and Equipment, Net		<u>\$ 41,082,294</u>	<u>\$ 54,226,900</u>

Depreciation expense on property and equipment was \$5,459,986 and \$5,433,789 for the years ended December 31, 2024 and 2023.

NOTE 9 RELATED PARTY TRANSACTIONS

Due to ACOMM

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

- **Accrued Salaries and Paid Time Off (PTO)** – By utilizing the consolidated payroll function, all salaries and withholdings are processed through ACOMM. ACOMM recognizes employee compensation, including salaries and PTO for eligible associates in a cash value plan when the related services are performed. Accrued salaries and PTO are calculated, tracked and recognized as liabilities of ACOMM to the extent that the associates have earned the wages and PTO for each payroll period. These accruals do not affect the cash of the affiliates until paid out to the employees and is not cleared out of the intercompany accounts until paid. The intercompany account then will retain an amount equal to the accumulated value of accrued salaries and unused PTO for each affiliate.
- **Deferred Service Fees** – From time to time, service fees may be deferred by ACOMM to its affiliates in order to meet bond covenant requirements. These fees can be recouped by ACOMM in subsequent periods when financial performance warrants reducing or eliminating the deferral. The cumulative effect of these deferrals will be included in the affiliate intercompany account. For the years ended December 31, 2024 and 2023, respectively, there were \$1,466,321 and \$2,855,000 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.

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 9 RELATED PARTY TRANSACTIONS (CONTINUED)

Due to ACOMM (Continued)

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

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

Service Fees

The Company received services from ACOMM under a service agreement at a cost of \$6,285,619 and \$4,910,736 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 Company under all of the Company's secured loan agreements.

Pharmacy Services

The Company has a services agreement with Asbury Atlantic to provide pharmacy services for the benefit of the residents at the BV and SH campuses. The Company 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.

The Company has a services agreement with Asbury Atlantic to provide pharmacy services for the benefit of the residents at the AMV and AS campuses. The Company 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.

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 10 LINE OF CREDIT

The Company had an unsecured \$2,500,000 revolving demand line of credit with a financial institution that was renewable annually. The line of credit bore interest at the bank's prime rate plus 3.00%. Borrowings on the line of credit totaled \$-0- for both the years ended December 31, 2024 and 2023. The line of credit supported a letter of credit, in the amount of \$500,000, in connection with the Company's participation in the LIFE program. During 2024, the line of credit and letter of credit were terminated.

NOTE 11 LONG-TERM DEBT

Long-term debt as of December 31, 2024 and 2023 consists of the following:

	Interest Rate	Maturity Dates	2024	2023
<u>Master Notes Payable:</u>				
PA Series 2014 Master Note	Variable Rate	2014-2040	\$ 4,438,102	\$ 7,851,003
PA Series 2018 Master Note	Variable Rate	2018-2035	5,309,994	10,449,000
Total			<u>9,748,096</u>	<u>18,300,003</u>
Unamortized Deferred Financing Costs			(182,130)	(232,927)
Current Master Note			<u>(916,376)</u>	<u>(1,529,388)</u>
Total Master Notes Payable			8,649,590	16,537,688
<u>Other Long-Term Debt:</u>				
Mortgage Note			3,018,811	3,098,006
Total			<u>3,018,811</u>	<u>3,098,006</u>
Current Portion Other Long-Term Debt			<u>(82,175)</u>	<u>(79,195)</u>
Total Other Long-Term Debt			<u>2,936,636</u>	<u>3,018,811</u>
Total Long-Term Debt			<u>\$ 11,586,226</u>	<u>\$ 19,556,499</u>

Series A 2018 Master Note

During the year ended December 31, 2018, Albright obtained a Series A 2018 tax exempt loan in the amount of \$14,404,000 to provide for the current refunding of the Series A 2013 and Series A 1997 debt. The note is payable over a term of 17 years with interest at a variable rate based on 30-day SOFR plus a spread of 1.39%. Albright entered into an interest rate swap agreement which fixed the interest rates at 4.235% (Note 12).

Effective March 7, 2023, Albright executed an amendment to the loan documents that changed the interest rate reference from LIBOR to SOFR. The previous rate under LIBOR was equal to a variable rate of 79% of 30-day LIBOR plus 1.39%. The change was not considered a substantial modification to the contract.

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

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 11 LONG-TERM DEBT (CONTINUED)

Series B 2018 Master Note

During the year ended December 31, 2018, Albright obtained a Series B 2018 taxable term loan in the amount of \$1,503,000. The note is payable over a term of seven years with interest at a variable rate based on 30-day SOFR plus a spread of 1.65%.

Effective February 22, 2023, Albright executed an amendment to the loan documents that changed the interest rate reference from LIBOR to SOFR. The previous rate under LIBOR was equal to a variable rate of 79% of 30-day LIBOR plus 1.65%. The change was not considered a substantial modification to the contract.

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

Series A 2014 Master Note

During the year ended December 31, 2014, Albright obtained a Series A 2014 Master Note with the maximum borrowing amount of \$10,000,000 to provide financing to support the approved capital projects of Albright. The note is payable over a term of 25 years with interest at a variable rate based on 30-day SOFR plus a spread of 2.70%. Albright entered into an interest rate swap agreement which fixed the interest rate at 4.15% (Note 12).

Effective March 7, 2023, Albright executed an amendment to the loan documents that changed the interest rate reference from LIBOR to SOFR. The previous rate under LIBOR was equal to a variable rate of 30-day LIBOR plus 2.70%, times 68%. The change was not considered a substantial modification to the contract.

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

Mortgage Note

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

Deferred Financing Costs

Costs incurred in relation to the issuance of long-term debt are deferred and amortized over the life of the debt using the straight-line method, which does not differ significantly from the effective interest method of amortization. The amortization of deferred financing costs is included in interest expense and totaled \$50,797 and \$50,172 for the years ended December 31, 2024 and 2023, respectively. Deferred financing fees have been netted against long-term debt in accordance with authoritative guidance.

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 11 LONG-TERM DEBT (CONTINUED)

Liens and Covenants

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

The Company is subject to various covenants under the loan agreements. As of December 31, 2024 and 2023, management is not aware of any noncompliance with these covenants.

Debt Maturities

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 998,551
2026	885,982
2027	787,207
2028	721,053
2029	752,855
Thereafter	8,621,259
Total	<u>\$ 12,766,907</u>

NOTE 12 DERIVATIVE FINANCIAL INSTRUMENTS

As of December 31, 2024 and 2023, the Company has two interest rate swap agreements which are considered derivative financial instruments with a financial institution. The Company entered into interest rate swap agreements to hedge variable interest rates on the Series 2014 Master Note and the Series 2018 Master Note, on December 15, 2015, and October 4, 2018, respectively, but elected not to elect hedge accounting for these arrangements.

During 2023, the Company executed amendments to the swap agreements that changed the interest rate references from LIBOR to SOFR. These changes were not considered substantial modifications to the contracts.

During 2024, the Company executed amendments to the swap agreements that reduced the notional principal beginning in December 2024 through the date of termination. The amendment is a result of the Riverwoods Skilled Nursing Facility sale as discussed in Note 1.

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 12 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The objective of the swap agreements is to minimize the risks associated with financing activities by reducing the impact of changes in the interest rates on variable rate debt. The swap agreements are contracts to exchange variable rate for fixed rate payments over the term of the swap agreements without the exchange of the underlying notional amounts. The notional amounts of the swap agreements are used to measure the interest to be paid or received and do not represent the amount of exposure to credit loss.

Exposure to credit loss is limited to the receivable, if any, which may be generated as a result of the swap agreements. Management believes losses related to credit risk are remote. The net cash paid or received under the swap agreements are recognized as adjustments to interest expense. The Company does not utilize interest rate swap agreements or other financial instruments for trading or other speculative purposes.

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

	Series 2014	Series 2018	Total
Notional Amount - December 31, 2024	\$ 4,422,214	\$ 894,000	
Trade Date	12/18/2014	10/4/2018	
Effective Date	12/15/2015	10/4/2018	
Termination or Cancellation Date	12/15/2040	10/4/2025	
Fixed Rate	4.150%	4.235%	
Fair Value at December 31, 2022	\$ 348,159	\$ 26,317	\$ 374,476
Unrealized Loss	(75,868)	(9,566)	(85,434)
Fair Value at December 31, 2023	272,291	16,751	289,042
Unrealized Loss	(83,920)	(11,227)	(95,147)
Fair Value at December 31, 2024	<u>\$ 188,371</u>	<u>\$ 5,524</u>	<u>\$ 193,895</u>

The Company has included the fair market value of these derivative instruments as an asset of \$193,895 and \$289,042 as of December 31, 2024 and 2023, respectively, in the accompanying consolidated balance sheets. Within income from operations, the Company recorded a net unrealized loss on derivative instruments of \$95,147 and \$85,434 in 2024 and 2023, respectively.

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2024 and 2023 are subject to the following purpose or time restrictions:

	<u>2024</u>	<u>2023</u>
Restricted for the Following Purposes:		
Deferred-Giving Arrangements	\$ 116,714	\$ 158,076
Funds Available for Building Construction, Income Unrestricted	19,054	14,234
Beneficial Interest in Net Assets of Asbury Foundation, Inc.	512,163	372,168
Other Specific Purposes	2,482,335	2,104,869
Investments to be Held in Perpetuity:		
Perpetual Trusts	4,540,896	4,157,749
Endowment Funds	2,038,762	2,004,524
Slifer House Museum Collection of Art	-	528,135
Charitable Gift Annuities	67,707	141,057
Beneficial Interest in Net Assets of Asbury Foundation, Inc.	<u>1,919,754</u>	<u>1,422,028</u>
Total Net Assets With Donor Restrictions	<u>\$ 11,697,385</u>	<u>\$ 10,902,840</u>

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

A summary of the net assets with donor restrictions that are to be held in perpetuity for the years ended December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Endowment Fund - Beginning of Year	\$ 8,266,411	\$ 7,481,678
Net Investment Income	333,426	759,074
Change in Value of Deferred-Giving Arrangement	4,369	(5,510)
Change in Beneficial Interest in Net Assets of Asbury Foundation, Inc.	490,948	31,169
Other Changes	<u>(528,035)</u>	<u>-</u>
Endowment Fund - End of Year	<u>\$ 8,567,119</u>	<u>\$ 8,266,411</u>

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 14 RETIREMENT PLAN

ACOMM and its affiliates sponsor a defined-contribution plan (the Plan) under IRC Section 401(k). All full-time employees of ACOMM and affiliates are eligible to participate in the Plan. The Plan provides that eligible employees may elect a salary deferral up to the maximum amount allowed as a deduction by the Internal Revenue Code. 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. Employer's contribution expense under this Plan were \$662,917 and \$583,358 for the years ended December 31, 2024 and 2023, respectively.

NOTE 15 COMMITMENTS AND CONTINGENCIES

Caring Communities, a Reciprocal Risk Retention Group

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

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Affiliation Capital Commitment

As part of the affiliation with ACOMM, ACOMM made a commitment to make \$10,000,000 available to the Company in support of mutually agreed upon projects which may include new construction, renovation, business line expansion and service enhancement over a five-year period beginning in 2021. For the years ended December 31, 2024 and 2023, \$3,733,679 and \$2,000,000, respectively, was treated as a transfer of capital on the consolidated statements of changes in net assets.

Legal Actions and Claims

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

Lease Commitments

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

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

	<u>2024</u>	<u>2023</u>
Lease Cost:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	\$ 151,958	\$ 144,541
Interest on Lease Liabilities	7,612	10,357
Operating Lease Cost	<u>1,720,863</u>	<u>1,514,181</u>
Total Lease Cost	<u>\$ 1,880,433</u>	<u>\$ 1,669,079</u>
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	\$ 7,612	\$ 10,357
Operating Cash Flows from Operating Leases	1,720,863	1,514,181
Financing Cash Flows from Finance Leases	146,208	129,468
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	28,025	166,380
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	163,518	7,170,957
Weighted-Average Remaining Lease Term - Finance Leases	2.60 Years	3.41 Years
Weighted-Average Remaining Lease Term - Operating Leases	11.20 Years	11.81 Years
Weighted-Average Discount Rate - Finance Leases	2.00%	2.00%
Weighted-Average Discount Rate - Operating Leases	2.99%	2.98%

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Lease Commitments (Continued)

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

<u>Year Ending December 31,</u>	<u>Operating Leases</u>	<u>Finance Leases</u>
2025	\$ 1,200,342	\$ 132,345
2026	1,206,320	119,427
2027	1,223,342	63,262
2028	1,194,083	9,554
2029	1,018,663	-
Thereafter	5,967,038	-
Total	<u>11,809,788</u>	<u>324,588</u>
Less: Interest Expense	<u>(1,867,623)</u>	<u>(8,052)</u>
Amounts Recognized in the Consolidated Balance Sheets	<u>\$ 9,942,165</u>	<u>\$ 316,536</u>

NOTE 16 FUNCTIONAL EXPENSES

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

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

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 16 FUNCTIONAL EXPENSES (CONTINUED)

	2023		Total
	Program Services	Supporting Services	
	Continuing Care Services	Management and General	
Salaries and Wages	\$ 23,825,982	\$ -	\$ 23,825,982
Employee Benefits	6,054,707	-	6,054,707
Contract Labor	4,127,658	-	4,127,658
Food Purchases	1,422,934	-	1,422,934
Medical Supplies and Other			
Resident Costs	16,827,255	-	16,827,255
General and Administrative	-	1,893,020	1,893,020
Building and Maintenance	6,904,204	-	6,904,204
Professional Fees and Insurance	713,405	-	713,405
Interest	1,433,156	-	1,433,156
Taxes	208,026	-	208,026
Provision for Credit Losses	407,161	-	407,161
Depreciation and Amortization	5,765,443	-	5,765,443
Service and Other Fees	-	5,107,083	5,107,083
Total Functional Expenses	<u>\$ 67,689,931</u>	<u>\$ 7,000,103</u>	<u>\$ 74,690,034</u>

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

NOTE 17 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 17 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

Recurring Fair Value Measures	Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and Short-Term Investments	\$ 4,516,276	\$ -	\$ -	\$ 4,516,276
Fixed Income Mutual Funds	5,882,878	-	-	5,882,878
Equity Mutual Funds	13,249,169	-	-	13,249,169
Derivative Instruments	-	193,895	-	193,895
Subtotal	23,648,323	193,895	-	23,842,218
Funds Held in Trust	-	-	4,609,022	4,609,022
Investments Measured at Fair Value Using Net Asset Value Per Share	-	-	-	376,825
Total Assets	\$ 23,648,323	\$ 193,895	\$ 4,609,022	\$ 28,828,065
Liabilities:				
Obligation Under Deferred-Giving Arrangements	\$ -	\$ 98,967	\$ -	\$ 98,967
Fair Value as of December 31, 2023				
Recurring Fair Value Measures	Level 1	Level 2	Level 3	Total
Assets:				
Cash and Short-Term Investments	\$ 3,178,242	\$ -	\$ -	\$ 3,178,242
Fixed Income Mutual Funds	6,714,255	-	-	6,714,255
Equity Mutual Funds	9,572,860	-	-	9,572,860
Derivative Instruments	-	289,042	-	289,042
Subtotal	19,465,357	289,042	-	19,754,399
Funds Held in Trust	-	-	4,242,719	4,242,719
Investments Measured at Fair Value Using Net Asset Value Per Share	-	-	-	2,064,449
Total Assets	\$ 19,465,357	\$ 289,042	\$ 4,242,719	\$ 26,061,567
Liabilities:				
Obligation Under Deferred-Giving Arrangements	\$ -	\$ 128,441	\$ -	\$ 128,441

**ALBRIGHT CARE SERVICES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 17 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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
Ironwood Institutional Multi-Strategy Fund	\$ 348,658	\$ -	Semi-Annually (June 30 and Dec 31)	95 calendar days
Partners Group	<u>28,167</u>	-	Quarterly	20 business days
Total	<u>\$ 376,825</u>			

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

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

Instrument	Fair Value	2024	
		Principal Valuation Technique	Unobservable Inputs
Beneficial Interest In Perpetual Trust	\$ 4,609,022	FMV of Trust Investments	Term of Distributions
Instrument	Fair Value	2023	
		Principal Valuation Technique	Unobservable Inputs
Beneficial Interest In Perpetual Trust	\$ 4,242,719	FMV of Trust Investments	Term of Distributions

There were no purchases, sales or transfers for the years ended December 31, 2024 and 2023 related to the beneficial interest in perpetual trusts.

NOTE 18 SUBSEQUENT EVENTS

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

**ALBRIGHT CARE SERVICES AND AFFILIATE
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	ASSETS										Total	
	Riverwoods	Normandle Ridge	LIFE Program	Pharmacy	Fund Development	Total Albright Care Services	Warrior Run Manor, Inc.	Eliminations				
CURRENT ASSETS												
Cash and Cash Equivalents	\$ 3,596,320	\$ 241,370	\$ 1,200	\$ 600	\$ -	\$ 3,839,490	\$ 127,965	\$ (204,658)	\$	\$ 3,762,797		
Investments	-	-	-	-	17,523,640	17,523,640	-	-	-	17,523,640		
Accounts Receivable	802,942	1,313,548	1,876,100	422,183	-	4,414,773	-	-	-	4,414,773		
Allowance for Credit Losses	(284,452)	(346,418)	(485,313)	(19,110)	-	(1,135,293)	-	-	-	(1,135,293)		
Other Receivables and Prepaid Expenses	660,148	326,492	216,161	1,087,593	-	2,290,394	37,568	(38,094)	-	2,289,858		
Total Current Assets	4,774,968	1,534,992	1,608,148	1,491,266	17,523,640	26,933,004	165,523	(242,752)	-	26,855,775		
Due from ACOMM, Net	-	8,438,534	-	4,855,736	-	13,294,270	-	(13,294,270)	-	-		
Property and Equipment, Net	16,108,769	21,866,820	1,495,407	798,085	-	40,269,081	813,213	-	-	41,082,294		
Right-Of-Use Assets - Operating Leases, Net	5,235	949	9,633,331	-	-	9,639,515	-	-	-	9,639,515		
Right-Of-Use Assets - Finance Leases, Net	38,816	22,469	50,483	205,833	-	317,601	788	-	-	318,389		
Investments Restricted By Donors	-	-	-	-	4,178,608	4,178,608	-	-	-	4,178,608		
Investments Held Under Bond Indenture	-	-	-	-	-	-	697,748	-	-	697,748		
Deposits and Other Assets	330,965	13,262	112,511	-	-	456,738	27,201	-	-	483,939		
Intangible Assets	-	-	711,029	-	-	711,029	-	-	-	711,029		
Statutory Reserves	-	-	-	-	1,625,152	1,625,152	-	-	-	1,625,152		
Funds Held In Trust	-	-	-	-	4,609,022	4,609,022	-	-	-	4,609,022		
Beneficial Interest in Net Assets of Foundation	170,162	2,067,026	-	-	194,729	2,431,917	-	-	-	2,431,917		
Valuation of Derivative Instruments	126,528	67,367	-	-	-	193,895	-	-	-	193,895		
Total Assets	\$ 21,555,433	\$ 34,011,419	\$ 13,610,909	\$ 7,350,920	\$ 28,131,151	\$ 104,659,832	\$ 1,704,473	\$ (13,537,022)	\$	\$ 92,827,283		

**ALBRIGHT CARE SERVICES AND AFFILIATE
CONSOLIDATING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	Riverwoods	Normandle Ridge	LIFE Program	Pharmacy	Fund Development	Total Albright Care Services	Warrior Run Manor, Inc.	Eliminations	Total
LIABILITIES AND NET ASSETS (DEFICIT)									
CURRENT LIABILITIES									
Accounts Payable and Accrued Expenses	\$ 459,421	\$ 156,958	\$ 605,362	\$ 16,953	\$ -	\$ 1,238,694	\$ 80,258	\$ (38,094)	\$ 1,280,858
Accrued Compensation and Related Items	305,388	-	-	-	-	305,388	-	-	305,388
Accrued Interest Payable	13,111	15,729	-	-	-	28,840	9,308	-	38,148
Obligation Under Deferred-Giving Arrangements	-	-	-	-	23,026	23,026	-	-	23,026
Deposits From Prospective Residents and Other Deposits	239,500	357,809	-	-	-	597,309	-	-	597,309
Entrance Fees - Refundable	195,800	17,921	-	-	-	213,721	-	-	213,721
Deferred Revenue	256,097	83,952	880,536	1,855	-	1,222,440	-	-	1,222,440
Reserve for LIFE Program	-	-	2,250,381	-	-	2,250,381	-	-	2,250,381
Current Portion of Lease Liabilities - Operating Leases	1,920	949	915,453	-	-	918,322	-	-	918,322
Current Portion of Lease Liabilities - Finance Leases	7,070	7,381	16,075	96,612	-	127,138	259	-	127,397
Current Maturities of Long-Term Debt	471,263	445,113	-	-	-	916,376	82,179	-	998,551
Total Current Liabilities	1,949,570	1,085,812	4,667,807	115,420	23,026	7,841,635	172,000	(38,094)	7,975,541
Due to ACOMM, Net	13,974,124	-	15,417,654	-	7,765,926	37,157,704	-	(13,498,928)	23,658,776
Long-Term Lease Liabilities - Operating Leases, Net of Current	3,315	-	9,020,528	-	-	9,023,843	-	-	9,023,843
Long-Term Lease Liabilities - Finance Leases, Net of Current	16,745	17,482	37,139	117,160	-	188,526	613	-	189,139
Long-Term Debt, Net of Current	4,253,504	4,469,025	-	-	-	8,722,529	2,863,697	-	11,586,226
Contingent Refundable Entrance Fee Liability	3,599,379	1,527,416	-	-	-	5,126,795	-	-	5,126,795
Entrance Fees - Deferred Revenue	9,915,769	13,208,150	-	-	-	23,123,919	-	-	23,123,919
Obligations Under Deferred-Giving Arrangements	-	-	-	-	75,941	75,941	-	-	75,941
Total Liabilities	33,712,406	20,307,885	29,143,128	232,580	7,864,893	91,260,892	3,036,310	(13,537,022)	80,760,180
NET ASSETS (DEFICIT)									
Without Donor Restrictions	(12,327,135)	11,636,507	(15,532,219)	7,118,340	10,806,062	1,701,555	(1,331,837)	-	369,718
With Donor Restrictions	170,162	2,067,027	-	-	9,460,196	11,697,385	-	-	11,697,385
Total Net Assets (Deficit)	(12,156,973)	13,703,534	(15,532,219)	7,118,340	20,266,258	13,398,940	(1,331,837)	-	12,067,103
Total Liabilities and Net Assets (Deficit)	\$ 21,555,433	\$ 34,011,419	\$ 13,610,909	\$ 7,350,920	\$ 28,131,151	\$ 104,659,832	\$ 1,704,473	\$ (13,537,022)	\$ 92,827,283

**ALBRIGHT CARE SERVICES AND AFFILIATE
CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions							Warrior Run Manor, Inc.	Eliminations	Consolidated
	Rivenwoods	Normandie Ridge	LIFE Program	Pharmacy	Fund Development	Total Albright Care Services				
REVENUE, GAINS, AND OTHER SUPPORT										
Resident and Client Services Revenue	\$ 16,157,579	\$ 15,172,289	\$ 24,938,098	\$ 11,100,415	\$ (113,739)	\$ 67,254,642	\$ -	\$ (4,474,319)	\$ 62,780,323	
Other Operating Revenue	3,173,477	1,037,010	(371,129)	156,995	73	3,996,426	782,321	(253,921)	4,524,826	
Amortization of Entrance Fees	1,689,706	1,906,529	-	-	-	3,596,235	-	-	3,596,235	
Interest and Dividend Income, Net	91,760	260,974	95,799	134,505	387,302	970,340	352	-	970,692	
Net Realized Gains on Investments	-	-	-	-	1,013,331	1,013,331	-	-	1,013,331	
Net Unrealized Gain on Equity Security Investments	-	-	-	-	408,408	408,408	-	-	408,408	
Allocations from Asbury Foundation, Inc.	564,735	565,122	-	-	12,893	1,142,750	-	-	1,142,750	
Total Revenues, Gains, and Other Support	21,677,257	18,941,924	24,662,768	11,391,915	1,708,268	78,382,132	782,673	(4,728,240)	74,436,565	
EXPENSES										
Salaries	8,862,811	7,003,121	7,398,644	1,950,941	-	25,215,517	149,952	(156,846)	25,208,623	
Employee Benefits	2,114,679	1,740,766	1,890,688	322,977	-	6,069,110	19,881	(12,993)	6,075,998	
Contract Labor	2,470,625	1,448,460	363,187	31,681	-	4,313,953	-	-	4,313,953	
Food Purchases	670,121	671,490	197,871	-	-	1,539,482	-	-	1,539,482	
Medical Supplies and Other Resident Costs	1,381,536	1,060,693	15,498,900	7,426,491	-	25,367,620	-	(4,474,319)	20,893,301	
General and Administrative	515,148	362,229	953,457	196,251	-	2,027,085	71,300	(84,082)	2,014,303	
Building and Maintenance	2,119,588	1,757,022	2,852,246	243,765	-	6,972,621	172,546	-	7,145,167	
Professional Fees and Property Insurance	257,887	225,592	204,746	144,964	-	833,189	31,005	-	864,194	
Interest	716,700	468,747	256,003	5,434	133,768	1,580,652	129,752	-	1,710,404	
Taxes	98,291	84,180	40,145	-	-	222,616	-	-	222,616	
Provision for (Recovery of) Credit Losses	207,206	179,593	294,468	(4,932)	-	676,335	-	-	676,335	
Depreciation and Amortization	2,439,391	2,478,436	805,125	215,276	-	5,938,228	122,787	-	6,061,015	
Service and Other Fees	1,959,736	1,614,486	2,280,981	585,218	-	6,440,401	-	-	6,440,401	
Total Expenses	23,813,719	19,094,815	33,036,441	11,118,066	133,768	87,196,809	697,223	(4,728,240)	83,165,792	
INCOME (LOSS) FROM OPERATIONS PRIOR TO LOSS ON DISCONTINUED OPERATIONS AND UNREALIZED LOSS ON DERIVATIVE FINANCIAL INSTRUMENTS	(2,136,462)	(152,891)	(8,373,673)	273,849	1,574,500	(8,814,677)	85,450	-	(8,729,227)	
Loss on Discontinued Operations	(2,860,933)	-	-	-	-	(2,860,933)	-	-	(2,860,933)	
Unrealized Loss on Derivative Financial Instruments	(58,999)	(36,148)	-	-	-	(95,147)	-	-	(95,147)	
Total Nonoperating Loss	(2,919,932)	(36,148)	-	-	-	(2,956,080)	-	-	(2,956,080)	
GAIN (LOSS) FROM OPERATIONS	(5,056,394)	(189,039)	(8,373,673)	273,849	1,574,500	(11,770,757)	85,450	-	(11,685,307)	
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS										
Change in Value of Deferred-Giving Arrangements and Other Investments	-	-	-	-	(3,275)	(3,275)	-	-	(3,275)	
Transfer of Capital	2,986,943	746,736	-	-	377,587	377,587	-	-	377,587	
Net Assets Released from Restrictions Used for Purchase of Capital Items	-	-	-	-	-	3,733,679	-	-	3,733,679	
Total Other Changes in Net Assets Without Donor Restrictions	2,986,943	746,736	-	-	14,946	29,919	-	-	29,919	
INCREASE (DECREASE) IN NET ASSETS	\$ (2,069,451)	\$ 572,670	\$ (8,373,673)	\$ 273,849	\$ 1,963,758	\$ (7,632,847)	\$ 85,450	\$ -	\$ (7,547,397)	



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Albright Care Services, Inc.
Operating Statement
Year Ending December 31, 2024

	Riverwoods 2024	Normandie Ridge 2024	ACS Other 2024	Warrior Run Manor 2024	Eliminations 2024
Revenue, gains and other support					
Resident service revenue	\$ 22,717,205	\$ 18,554,699	\$ 36,038,513	\$ -	\$ (4,474,319)
Contractual adjustments	\$ (6,400,647)	\$ (2,905,095)	\$ -	\$ -	\$ -
Benevolent care	\$ (158,979)	\$ (477,315)	\$ (113,739)	\$ -	\$ -
Other operating revenue	\$ 3,173,477	\$ 1,037,010	\$ (214,061)	\$ 782,321	\$ (253,921)
Net resident service revenue	\$ 19,331,056	\$ 16,209,299	\$ 35,710,713	\$ 782,321	\$ (4,728,240)
Amortization of entrance fees	\$ 1,689,706	\$ 1,906,529	\$ -	\$ -	\$ -
Interest and dividend income, net	\$ 91,760	\$ 260,974	\$ 617,606	\$ 352	\$ -
Net realized gains on investments	\$ -	\$ -	\$ 1,013,331	\$ -	\$ -
Net unrealized gain on equity security investments	\$ -	\$ -	\$ 408,408	\$ -	\$ -
Net investment revenue	\$ 91,760	\$ 260,974	\$ 2,039,345	\$ 352	\$ -
Allocations from Asbury Foundation	\$ 564,735	\$ 565,122	\$ 12,893	\$ -	\$ -
Total revenue, gains and other support	\$ 21,677,257	\$ 18,941,924	\$ 37,762,951	\$ 782,673	\$ (4,728,240)
Expenses					
Salaries	\$ 8,862,811	\$ 7,003,121	\$ 9,349,585	\$ 149,952	\$ (156,846)
Employee benefits	\$ 2,114,679	\$ 1,740,766	\$ 2,213,665	\$ 19,881	\$ (12,993)
Contract labor	\$ 2,470,625	\$ 1,448,460	\$ 394,868	\$ -	\$ -
Food purchases	\$ 670,121	\$ 671,490	\$ 197,871	\$ -	\$ -
Medical supplies and other resident costs	\$ 1,381,536	\$ 1,060,693	\$ 22,925,391	\$ -	\$ (4,474,319)
General and administrative	\$ 515,148	\$ 362,229	\$ 1,149,708	\$ 71,300	\$ (84,082)
Building and maintenance	\$ 2,119,588	\$ 1,757,022	\$ 3,096,011	\$ 172,546	\$ -
Professional fees and property insurance	\$ 257,887	\$ 225,592	\$ 349,710	\$ 31,005	\$ -
Interest	\$ 716,700	\$ 468,747	\$ 395,205	\$ 129,752	\$ -
Taxes	\$ 98,291	\$ 84,180	\$ 40,145	\$ -	\$ -
Provision for credit losses	\$ 207,206	\$ 179,593	\$ 289,536	\$ -	\$ -
Depreciation and amortization	\$ 2,439,391	\$ 2,478,436	\$ 1,020,401	\$ 122,787	\$ -
Service and other fees	\$ 1,959,736	\$ 1,614,486	\$ 2,866,179	\$ -	\$ -
Total operating expenses	\$ 23,813,719	\$ 19,094,815	\$ 44,288,275	\$ 697,223	\$ (4,728,240)
Income (loss) from operations prior to Loss on discontinued operations and Unrealized loss on derivative financial instruments	\$ (2,136,462)	\$ (152,891)	\$ (6,525,324)	\$ 85,450	\$ -
Loss on discontinued operations	\$ (2,860,933)	\$ -	\$ -	\$ -	\$ -
Unrealized loss on derivatives	\$ (58,999)	\$ (36,148)	\$ -	\$ -	\$ -
Income (loss) from operations	\$ (5,056,394)	\$ (189,039)	\$ (6,525,324)	\$ 85,450	\$ -
Nonoperating gains (losses)					
Change in Value of Deferred-Giving Arrangements	\$ -	\$ -	\$ (3,275)	\$ -	\$ -
Net unrealized gains on fixed income securities and other investments	\$ -	\$ -	\$ 377,587	\$ -	\$ -
Transfers of capital - Asbury Parent	\$ 2,986,943	\$ 746,736	\$ -	\$ -	\$ -
Transfers of capital - Foundation	\$ -	\$ 14,973	\$ 14,946	\$ -	\$ -
Increase (decrease) in unrestricted net assets	\$ (2,069,451)	\$ 572,670	\$ (6,136,066)	\$ 85,450	\$ -

Riverwoods					
Statement of Material Differences of Actual vs. Budget					
Year Ending December 31, 2024					
	Audit <u>2024</u>	Budget <u>2024</u>	Dollar <u>Variance</u>	Percent <u>Variance</u>	<u>Note</u>
Revenue, gains and other support					
Resident service revenue	\$ 22,717,205	\$ 23,118,156	\$ (400,951)	-1.7%	1
Contractual adjustments	\$ (6,400,647)	\$ (7,076,466)	\$ 675,819	9.6%	1
Benevolent care	\$ (158,979)	\$ (187,263)	\$ 28,284	15.1%	
Other operating revenue	<u>\$ 3,173,477</u>	<u>\$ 294,528</u>	<u>\$ 2,878,949</u>	977.5%	2
Net resident service revenue	\$ 19,331,056	\$ 16,148,955	\$ 3,182,101		
Amortization of entrance fees	\$ 1,689,706	\$ 1,916,140	\$ (226,434)	-11.8%	3
Interest and dividend income, net	\$ 91,760	\$ 28,370	\$ 63,390	223.4%	4
Net investment revenue	\$ 91,760	\$ 28,370	\$ 63,390		
Allocations from Asbury Foundation	<u>\$ 564,735</u>	<u>\$ 190,725</u>	<u>\$ 374,010</u>	196.1%	5
Total revenue, gains and other support	\$ 21,677,257	\$ 18,284,190	\$ 3,393,067		
Expenses					
Salaries	\$ 8,862,811	\$ 9,282,816	\$ 420,005	4.5%	6
Employee benefits	\$ 2,114,679	\$ 2,071,171	\$ (43,508)	-2.1%	
Contract labor	\$ 2,470,625	\$ 1,642,980	\$ (827,645)	-50.4%	7
Food purchases	\$ 670,121	\$ 725,218	\$ 55,097	7.6%	
Medical supplies and other resident costs	\$ 1,381,536	\$ 1,409,439	\$ 27,903	2.0%	
General and administrative	\$ 515,148	\$ 386,029	\$ (129,119)	-33.4%	8
Building and maintenance	\$ 2,119,588	\$ 2,422,846	\$ 303,258	12.5%	9
Professional fees and property insurance	\$ 257,887	\$ 260,505	\$ 2,618	1.0%	
Interest	\$ 716,700	\$ 828,007	\$ 111,307	13.4%	10
Taxes	\$ 98,291	\$ 89,767	\$ (8,524)	-9.5%	
Provision for credit losses	\$ 207,206	\$ 114,000	\$ (93,206)	-81.8%	11
Depreciation and amortization	\$ 2,439,391	\$ 2,803,510	\$ 364,119	13.0%	12
Service and other fees	<u>\$ 1,959,736</u>	<u>\$ 2,436,757</u>	<u>\$ 477,021</u>	19.6%	13
Total operating expenses	\$ 23,813,719	\$ 24,473,046	\$ 659,327		
Income (loss) from operations prior to Loss on discontinued operations and Unrealized loss on derivative financial instruments	\$ (2,136,462)	\$ (6,188,856)	\$ 4,052,394		
Loss on discontinued operations	\$ (2,860,933)	\$ -	\$ (2,860,933)	-100.0%	14
Unrealized loss on derivatives	<u>\$ (58,999)</u>	<u>\$ -</u>	<u>\$ (58,999)</u>		
Income (loss) from operations	\$ (5,056,394)	\$ (6,188,856)	\$ 1,132,462		
<u>Nonoperating gains (losses)</u>					
Transfers of capital - Asbury Parent	\$ 2,986,943	\$ 1,525,000	\$ 1,461,943	95.9%	15
Transfers of capital - Foundation	<u>\$ -</u>	<u>\$ 1,600,000</u>	<u>\$ (1,600,000)</u>	-100.0%	16
Increase (decrease) in unrestricted net assets	\$ (2,069,451)	\$ (3,063,856)	\$ 994,405		

Riverwoods
Narrative of material differences of actual vs. pro forma income statement
Year Ending December 31, 2024

- 1 The favorable variance in resident service revenue combined with contractual adjustments is due to IL and AL occupancy being higher than budget, which is offset by only minimal skilled nursing revenue from December due to the sale. Medicaid revenue was also favorable due to rate changes published in 2024.
- 2 The favorable variance in other operating revenue is primarily due to the CARES Act Provider Relief Funds (PRF) received.
- 3 The change in Amortization of entrance fees is affected at any given time by an increase in new residents offset by resident move-outs and deaths. There were less new contracts in 2024 than budgeted, combined with a higher number of contract terminations than budgeted.
- 4 The favorable variance to budget is mainly due to dividends received from our insurance provider being significantly larger than expected.
- 5 The amount is an allocation from the Asbury Foundation, which includes contributions net of direct expenses. Amounts allocated will vary based on the timing of contributions received by the Asbury Foundation.
- 6 The favorable variance is largely due to the skilled nursing facility sale in December 2024. This resulted in very limited salary costs for skilled nursing during December.
- 7 The unfavorable variance in Contract Labor is due to open positions and the tight labor market driving the need for agency staffing in nursing.
- 8 The unfavorable variance is due to increased legal and consultant fees related to the skilled nursing facility sale.
- 9 Less repairs and maintenance work was performed during the year. Costs will fluctuate based on the volume and nature of work performed.
- 10 The variance is related to the skilled nursing facility sale. A large interest credit was received as part of the sale financing and debt paydown using sale proceeds.
- 11 The unfavorable variance to budget is due to several private pay skilled nursing residents. The provision for credit losses is adjusted monthly in accordance with Asbury's bad debt policy and is calculated based on the aging of accounts receivable.
- 12 Depreciation expense is impacted by the timing of new capital project completion and retirement of older items.
- 13 The favorable variance is driven by one quarter of the 2024 management fee being deferred by the parent.
- 14 The amount is the recognized loss from the skilled nursing facility sale. The loss is comprised mainly of fixed asset disposals and transaction related costs, offset by the sale proceeds.
- 15 Asbury Communities, Inc. provided financial support to maintain bond covenant compliance.
- 16 The release of contributions received but restricted for capital projects will depend based on the timing of the capital expenditure. Less expenditures were incurred during the year, resulting in less contributions being released than expected.

Riverwoods
Pro Forma Operating Statement
Year ending December 31, 2025

Budget
2025

<u>Revenue, gains and other support</u>	
Resident service revenue	\$ 5,388,267
Benevolent care	\$ (179,304)
Other operating revenue	\$ 337,049
Net resident service revenue	\$ 5,546,012
Amortization of entrance fees	\$ 1,951,016
Interest and dividend income, net	\$ 156,926
Net investment revenue	\$ 156,926
Allocations from Asbury Foundation	\$ 218,445
Total revenue, gains and other support	\$ 7,872,400
 <u>Expenses</u>	
Salaries	\$ 2,139,902
Employee benefits	\$ 498,927
Contract labor	\$ 102,066
Food purchases	\$ 345,025
Medical supplies and other resident costs	\$ 173,968
General and administrative	\$ 230,605
Building and maintenance	\$ 1,434,298
Insurance	\$ 157,826
Interest	\$ 404,024
Taxes	\$ 84,701
Provision for credit losses	\$ 25,000
Depreciation and amortization	\$ 2,064,419
Service and other fees	\$ 304,664
Total operating expenses	\$ 7,965,424
Income (loss) from operations	\$ (93,024)
Transfers of capital - Asbury Parent	\$ 1,757,400
Transfers of capital - Foundation	\$ 1,600,000
Increase (decrease) in unrestricted net assets	\$ 3,264,376

Exhibit

E

IRS Determination Letter

Internal Revenue Service

Department of the Treasury

District
Director

Baltimore District

31 Hopkins Plaza, Baltimore, Md. 21201
P.O. Box 13163, Room 817
Baltimore, MD 21203

▷ APRIL 18, 1997

Employer Identification Number:
23-1887138

Person to Contact:
EP/EO Tax Examiner

ALBRIGHT CARE SERVICES
GAMBER OFFICE BUILDING
1 MAPLEWOOD DRIVE
LEWISBURG, PA 17837

Telephone Number:
(410) 962-6058

Dear Sir/Madam:

This is in response to your inquiry dated APRIL 4, 1997, requesting a copy of the letter which granted tax exempt status to the above named organization.

Our records show that the organization was granted exemption from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code effective JANUARY, 1974. We have also determined that the organization is not a private foundation because it is described in section 509(a)(2).

Donors may deduct contributions to you under section 170 of the Code.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

You are required to file Form 990, Return of Organization Exempt From Income Tax, only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

A copy of our letter certifying the status of the organization is not available, however, this letter may be used to verify your tax-exempt status.

Because this letter could help resolve any questions about your exempt status, it should be kept in your permanent records.

Sincerely yours,



Paul M. Harrington
District Director

Exhibit

F

Residency Agreement



RESIDENCY AGREEMENT

Revised: December 6, 2024



RIVERWOODS
Residency Agreement
270 RidgeCrest Circle
Lewisburg, PA 17837

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THIS RESIDENCY AGREEMENT (“Agreement”) is made this _____ day of _____, 20____ by and between Albright Care Services, a not-for-profit Pennsylvania corporation d/b/a RiverWoods (“RiverWoods”) located at 270 RidgeCrest Circle, Lewisburg, PA 17837, and

(“you” or “your” or “Resident”) whose current address is:

(If husband and wife or two other persons sign this Agreement, the word “you,” “your,” or “Resident” shall apply to them jointly and severally, where the context permits. These terms may also apply to a representative appointed by you.)

This Agreement creates legal rights and responsibilities relating to both RiverWoods and Resident. RiverWoods recommends that you consult with an attorney or other representative regarding the terms of this Agreement.

I. INFORMATION ABOUT RIVERWOODS

RiverWoods is a licensed residential community located just minutes away from the vibrant college-town culture of Lewisburg, Pennsylvania. RiverWoods provides a variety of residence types and service amenities designed to facilitate our residents’ exploring possibilities to live their best lives.

RiverWoods is an affiliate of Asbury Communities, Inc. (“Asbury”). Asbury is a not-for-profit Maryland corporation exempt from federal taxes under Section 501(c)(3) and 509(a)(3) of the Internal Revenue Code. Asbury provides business and operational services to senior living and health service providers.

The Asbury Foundation, Inc., a Maryland not-for-profit corporation exempt from federal taxes under Section 501(c)(3) of the Code, is the fundraising organization for RiverWoods. The Asbury Foundation raises money through charitable donations to provide benevolent support to residents who meet the charitable criteria and qualifications established by RiverWoods.

II. DEFINITIONS

Accommodation: Any and all Residences, Personal Care suites, skilled rehabilitation, or skilled nursing rooms located on the RiverWoods campus.

Activities of Daily Living: Personalized support services to help residents with activities such as cooking/dining, grooming, bathing, hygiene, mobility, transferring, walking, going outdoors when appropriate, using the bath, rest room, and dressing.

Ancillary Services: Those additional services provided by RiverWoods or an outside provider under contract with RiverWoods that are not included in the Monthly Fee.

Agreement: This Residency Agreement and the attached addenda.

Application Fee: A non-refundable amount paid by the Resident at the time Resident applies for residency at RiverWoods.

Designated Occupancy Date: The date when the Residence is available for occupancy.

Entrance Fee: Lump-sum paid by Resident upon entrance to RiverWoods. The amount depends on the Residence and type of Entrance Fee chosen by the Resident. See Addendum D for provisions regarding Entrance Fees.

Emergency Situation: A situation in which there exists a threat of harm to the Resident's health or safety or the health or safety of other residents, guests, or employees.

Nursing Care Center: The licensed skilled nursing center of a non-affiliated entity, Oak Glen Healthcare and Rehabilitation Center, LLC ("Oak Glen"), located on the RiverWoods campus. Nursing care services are made available by Oak Glen through a services agreement between RiverWoods and Oak Glen.

Monthly Fee: The monthly charge for occupancy and services. The Monthly Fee covers maintenance of the grounds and common areas and may also cover certain utilities and other services depending on the type of Residence.

Personal Care Home: A combination of housing and personalized support services designed to meet the needs of those who need help with Activities of Daily Living.

Residences: An Apartment or Cottage located on the RiverWoods campus.

Resident Handbook: A publication reflecting the guidelines and procedures of RiverWoods. Resident must comply with RiverWoods' guidelines reflected in the Resident Handbook. The Resident Handbook is subject to change from time to time at the discretion of RiverWoods.

Surrender: Permanently vacating an Accommodation including the removal of all personal possessions and returning keys to RiverWoods.

Termination Date: The date that Resident surrenders his or her Accommodation.

III. ACCOMMODATIONS & SERVICES

A. Residence.

The Resident selects Cottage, Apartment; _____, located at _____, Lewisburg, PA, 17837, also referred to as the "Residence."

B. **Designated Occupancy Date.** The Designated Occupancy Date is _____. If the Residence is available before the Designated Occupancy Date, Resident may take possession on an earlier date. The obligation to pay the Monthly Fee begins on the Designated Occupancy Date or actual date of occupancy, whichever is earlier.

1. Residence under construction or renovation. If Residence is under construction or renovation at the time this Agreement is executed, then no Designated Occupancy Date shall be specified and RiverWoods shall provide Resident with thirty (30) days advance written notice of the date when the Residence will be made available and this date shall be the Designated Occupancy Date.
2. Postponement of date of occupancy. RiverWoods may postpone the Designated Occupancy Date, for any reason, by giving Resident written notice at least five (5) days in advance of the Designated Occupancy Date. If RiverWoods postpones the Designated Occupancy Date for thirty (30) days or less, Resident agrees to accept the postponement. However, if RiverWoods postpones Designated Occupancy Date for more than thirty (30) days, Resident may either accept postponement, or may void this Agreement by giving RiverWoods written notice. After RiverWoods receives written notice neither party has any rights or obligations to the other, except the Resident's right to a refund of the Entrance Fee.

C. **Furnishings.** RiverWoods will provide each Residence with the items set forth in Addendum A.

D. **Modifications to Residence.** Resident may make structural or physical changes including the installation of any fixture or item permanently attached to the Residence with the written approval from RiverWoods. The cost of any modification and restoration to original condition upon vacating the Residence shall be paid by Resident. The selection of a contractor for structural changes must be approved by RiverWoods.

Any modifications to the Residence become the property of RiverWoods. Initial modifications requested by Resident are set forth on Addendum C.

- E. **Reasonable Accommodations Policy & Request Form:** RiverWoods recognizes that residents with disabilities may require reasonable accommodations to RiverWoods' policies, practices, or services to have an equal opportunity to use and enjoy RiverWoods' Residences, common areas, facilities and services. If you require a reasonable accommodation because of a disability, please refer to the Residential Living Reasonable Accommodations Policy & Request Form, a copy of which has been provided to you and which is available from administration.
- F. **Commons.** The dining rooms, social and recreational amenities, grounds, and other common areas are provided by RiverWoods for use by all residents in accordance with RiverWoods' policies, as set forth in the Resident Handbook.
- G. **Laundry.** Each Apartment and Cottage comes equipped with its own washer and dryer.
- H. **Storage.** Additional storage space is available to Apartment Resident in a designated location. The use of the storage facilities shall be subject to the policies of RiverWoods. RiverWoods is not liable for loss or damage of property in storage.

IV. OCCUPANCY & RELOCATION

A. **Occupancy & Use.**

1. Occupancy. Resident may occupy or reside in Residence. Guests may stay temporarily in a Residence according to the policies of RiverWoods. The Residence may not be leased or subleased and this Agreement may not be assigned. Resident shall use the Residence as a private dwelling and shall not use it to engage in commercial or illegal activities or for any activities which violate the provisions of RiverWoods' insurance policies or could cause an increase in the cost of such insurance.
2. Conduct. The conduct of Resident and Resident's guests shall be in harmony with the atmosphere of RiverWoods and respectful of the dignity and rights of other residents, guests and employees. Resident agrees to: (i) abide by the guidelines which may be written and distributed to Resident by RiverWoods from time to time; (ii) promptly bring any problems or complaints to the attention of the Executive Director; and (iii) keep the Residence and personal appearance in a clean, orderly and presentable condition for so long as Resident is physically and mentally able to do so.
3. Maintenance. Resident is responsible for keeping the Residence (including appliances) and all personal property clean, orderly and in presentable condition and comply with all fire laws and such other laws, rules and regulations as may be

applicable and to which RiverWoods is subject, for so long as Resident is physically and mentally able to do so. Resident will pay for the cost for replacement or repairing damage to the Residence including equipment and fixtures, or to common areas including the furniture, fixtures or equipment therein, caused by the Resident or Resident' guests, beyond normal wear and tear.

B. Relocation.

1. Request for Relocation. Resident may request relocation to another Residence or facility at RiverWoods, but such voluntary changes will be made only in the sole discretion of the Executive Director. Any such change may result in adjustments to the Monthly Fee and payment of other applicable fees, including an additional Entrance Fee payment for a move to a new Unit. There is no additional Entrance Fee for a relocation to the Personal Care facility or Health Care Center.
2. Effect on Agreement. If Resident relocates to a new Unit, this Agreement will remain in effect and Resident will be required to execute an addendum identifying the new Residence and any applicable fees. See Addendum G.
3. Entrance Fee. If Resident wishes to relocate to a new Residence and the current Entrance Fee for the new Residence exceeds the refundable portion of the Entrance Fee on the previously occupied Unit, Resident shall pay the difference between these two amounts when Addendum G is signed. If Resident wishes to relocate to a new Residence and the current Entrance Fee for the new Residence is less than the refundable portion of the Entrance Fee on the previously occupied Unit, the Resident shall be paid a refund equal to the difference between these two amounts. Such refund shall be paid to Resident in accordance with the timing provisions outlined in Addendum D, Section 2 of this Agreement. Resident is required to keep the same type Entrance Fee when transferring to a new Unit.
 - a. If Resident selected the Standard Entrance Fee (SEF), the refundable portion of the Resident's SEF shall be the unamortized amount of the Entrance Fee and, for purposes of this provision, shall be calculated based upon life expectancy of the Resident. The computations shall be based upon the appropriate life tables in the most recently published version of the United States Decennial Life Tables produced by the U.S. Department of Health and Human Services.
 - b. The amortization of the additional SEF shall begin on the Designated Occupancy Date of the new Residence and shall amortize in accordance with Addendum D, Section 2 of this Agreement.
4. Marriage or Cohabitation

- a. *Non-Resident.* If Resident marries or otherwise desires to cohabitate with a non-Resident who meets RiverWoods' admission requirements, and they wish to reside in Resident's Residence, the existing Resident's Agreement remains in effect. The Monthly Fee shall increase from single occupancy to double occupancy. Residents will be jointly and severally liable for payment of the Monthly Fee and all other charges.
 - b. *Resident.* If Resident marries or otherwise desires to cohabitate with another Resident of RiverWoods and Resident decides to move into such other Resident's Accommodation, then the moving Resident shall execute a new Residence addendum (see Addendum E). The moving Resident shall not be entitled to a refund of his/her Entrance Fee nor pay any additional Entrance Fee. The Resident remaining in his or her Residence shall not receive any refund nor pay any additional Entrance Fee. The Monthly Fee shall increase from single occupancy to double occupancy. Residents will be jointly and severally liable for payment of the Monthly Fee and all other charges.
5. Costs of moving. Regardless of the reason, Resident may be responsible for all costs of moving from one Accommodation to another, including moving to or from the Nursing Care Center or Personal Care as determined by RiverWoods.

V. SERVICES

The following is a description of services included in or excluded from the Monthly Fee.

A. Utilities, refuse collection, and property tax.

1. Apartments. Utilities, including water, sewer, electricity, basic cable television service, and weekly refuse collection are included in the Monthly Fee. Any applicable property tax is included in the Month Fee. RiverWoods reserves the right to establish maximum usage levels on utilities, and to charge Resident for excessive or unreasonable usage.
2. Cottages. Utilities including water, sewer, electricity, and weekly refuse collection are included in the Monthly Fee. Any applicable property tax is included in the Month Fee. Weekly refuse collection is included in the Monthly Fee.

B. Assessments. Real estate taxes, if assessed, are included in the Monthly Fee.

C. Telephone, Cable Television and Internet. The Monthly Fee does not include telephone service or connection charges.

1. Apartments: Basic cable television service is included in the Monthly Fee. Resident must contract directly with cable service provider for premium television channels and internet.
2. Cottages: Resident must contract directly with cable service provider for all cable television and internet services.

- D. Maintenance and repair of equipment.** The Monthly Fee includes repairs, maintenance and replacement of RiverWoods' property, equipment and appliances. The Monthly Fee does not include repairs, maintenance, and replacement of Resident's property and furnishings.
- E. Maintenance of grounds.** The Monthly Fee includes grounds keeping, lawn care, grounds lighting, and snow removal.
- F. Insurance.** RiverWoods provides insurance on RiverWoods' property only. RiverWoods does not provide personal property or liability insurance for Resident or Resident's property. Resident is required to obtain insurance for personal property and liability (see Section XII.B.).
- G. Dining.** See Addendum B.
- H. Housekeeping.** RiverWoods will provide housekeeping services in accordance with its established schedule and fees.
- I. Transportation.** RiverWoods will provide local transportation service in accordance with its established schedules and fees.
- J. Parking.** RiverWoods provides undesignated uncovered parking space and limited designated parking spaces. Please see the Resident Handbook for restrictions on types of vehicles that can be parked on the RiverWoods campus. RiverWoods reserves the right to require that a Resident's vehicle be removed from the campus if, in the opinion of RiverWoods, Resident's operation of the vehicle presents a danger to the Resident or other residents, guests or employees.
- K. Changes in services.** RiverWoods reserves the right to add or reduce services. RiverWoods also reserves the right to unbundle services currently included in the Monthly Fee, to alter the Monthly Fee accordingly and to charge a separate fee for unbundled services. RiverWoods will provide at least thirty (30) days advance notice to the resident before any change in fees or charges or the scope of care or services may be effective, except for changes required by State or Federal assistance programs.

VI. HEALTH SERVICES

- A. Nursing Care Center & Personal Care Home.**

1. Access to the Nursing Care Center and Personal Care Home. Resident has priority access to the Nursing Care Center and Personal Care Home and shall execute the applicable agreement prior to entering either. RiverWoods does not guarantee the availability of space and, in such event RiverWoods shall assist Resident in obtaining admission and transferring to an appropriate provider and shall have priority for the next available opening.
 2. Responsibility for cost of Nursing Care Center and Personal Care Home. Resident is responsible for the cost of residence and services provided in Nursing Care Center or Personal Care Home. If there is no available space in Nursing Care Center or Personal Care Home, Resident is responsible for the cost of care at the outside provider including the cost of transferring. If transfer is permanent, Resident will continue to be responsible for the Monthly Fee for the Residence up to the Termination Date.
- B. **Emergency Call System.** Each Residence is equipped with an emergency call system. In the case of a life threatening or other significant medical emergency, **Resident should call 911 prior to using the call system.** RiverWoods does not provide emergency medical services ("EMS") or emergency medical technicians.
- C. **Private Duty Nursing or Companion Services in the Living Unit.** Subject to the advance written approval of the RiverWoods, Resident may utilize the services of private duty nurses or companions providing personal or nursing care services in the Apartment/Cottage so long as Resident is able to satisfy the Conditions of Occupancy. RiverWoods reserves the right to review the credentials of all nurses and companions, to approve or prohibit the use of or to require the discontinuation of such services. Resident is responsible to pay for all such services. As a condition of RiverWoods' approval, all private duty nurses or companions must provide RiverWoods with an appropriate release and indemnification agreement, proof of worker's compensation and liability insurance, as well as proof that such nurses or companions are free of tuberculosis and/or any other contagious or communicable disease, and are subject to a criminal background check. To the extent required, Resident shall confirm that any approved private duty nurse, companion, or attending individual has workers' compensation insurance coverage. In the absence of such coverage, Resident is required to provide workers' compensation insurance to the extent required by law. Services of private duty nurses, nurse assistants or companions may be used so long as Resident is able to satisfy the Conditions of Occupancy. In exchange for RiverWoods' consent to Resident's request for the services of a private duty nurse, companion or other assistant, Resident shall execute, if requested by RiverWoods, an Aging-in-Place Addendum, which shall be attached to this Agreement and incorporated by reference. RiverWoods reserves the right to terminate Resident's authorization to utilize the services of private duty nurses, nurse assistants or companions in the event that Resident does not comply with the requirements of this Section or the Aging-in-Place Addendum, or Resident requires transfer to another level of care. If transfer to another level of care is required,

then we reserve the right to transfer Resident to another level of care within the RiverWoods or to such other external care facility as we deem appropriate.

- D. **Hospitalization.** RiverWoods does not provide hospital or acute care services. RiverWoods will assist in making arrangements for the transfer of Resident to a hospital or other facility on order of a physician, or in an Emergency Situation. The Monthly Fee does not cover costs of transfer to a hospital or other facility and the costs of such hospitalization. In addition, Resident shall continue to be responsible for the Monthly Fee for the Residence until the Termination Date.

VII. TRANSFER

- A. **Emergency Situation.** In the event that an Emergency Situation exists, Resident may transfer involuntarily to a different Accommodation and/or level of care or an appropriate outside provider. As much notice as practical under the situation shall be provided to the Resident prior to transfer. Such a transfer shall be temporary and shall not, in and of itself, constitute just cause for termination of this Agreement.
- B. **Non-emergency situation.** RiverWoods may determine (with input from the Resident, Resident's family, physician and the RiverWoods Medical Director) that Resident requires a higher level of care and may then recommend that Resident transfer to Personal Care, skilled nursing/rehabilitation, or appropriate outside provider. Resident has the right to reject this transfer recommendation. However, if Resident refuses a recommended transfer in this situation and Resident's health status or behavior constitutes a substantial threat to Resident's health or safety or the health or safety of other residents or employees, RiverWoods has the right to terminate this Agreement pursuant to Section X.
- C. **Effect on Agreement.** In the event of a transfer, either temporary or permanent, to Nursing Care Center and Personal Care Home, Resident must sign the applicable agreement and pay all related fees. This Residency Agreement will remain in effect subject to the terms of the new agreement. If the transfer, either to a facility inside or outside RiverWoods, is temporary, Resident may retain the Residence but must continue to pay the Monthly Fee in addition to any fees applicable to the Accommodation to which Resident transfers. If transfer is permanent, or if Resident elects, Resident shall vacate and Surrender the Residence and thereby not be responsible for continuing to pay the Monthly Fee for the Residence.
- D. **Effect on Entrance Fee.** Resident shall not be entitled to a refund of the Entrance Fee upon becoming a temporary or permanent Resident of Personal Care Home. In addition, in the event Resident becomes a temporary or permanent resident of Personal Care Home and Resident paid a Standard Entrance Fee, Resident's Entrance Fee shall continue to amortize during Resident's stay in the Personal Care Home. Resident shall receive such portion, if any, of the Entrance Fee to which Resident may be entitled, at such time as

Resident terminates this Agreement and Surrenders all RiverWoods Accommodations in accordance with Addendum D regarding refunding of Entrance Fees.

VIII. FEES

- A. **Entrance Fee.** The amount of the Entrance Fee is dependent upon the Residence and type of Entrance Fee selected by the Resident. Resident agrees to pay, at the time RiverWoods and Resident sign this Agreement, the Entrance Fee indicated below:

STANDARD ENTRANCE FEE of \$_____, which is refundable over a period of 50 months in accordance with terms of Addendum D.

FIFTY PERCENT (50%) REFUNDABLE ENTRANCE FEE of \$_____, the refund shall be in accordance with the terms of Addendum D.

1. Resident Deposit. Resident made a partial payment of the Entrance Fee (the “Resident Deposit”) in the amount of: \$_____. The remaining balance of the Entrance Fee being \$_____, is due on the earlier of the Designated Occupancy Date or actual date of occupancy, whichever is earlier.
 2. Purpose of the Entrance Fee. The purpose of the Entrance Fee is to gain residency at RiverWoods. The Standard Entrance Fee continues to amortize while an individual is in any Accommodation in RiverWoods. Entrance Fees refund only after the Resident permanently vacates all Accommodations in RiverWoods. See Addendum D for complete provisions regarding refunding of Entrance Fees.
 3. Limitations on increases in the Entrance Fee. After Resident signs this Agreement, there will be no additional Entrance Fee due for the initial Residence occupied by Resident.
 4. Use of Entrance Fee. The Entrance Fee payment shall be used by RiverWoods for any lawful corporate purpose and in any manner deemed appropriate by RiverWoods in its discretion.
- B. **Monthly Fee.** Resident shall pay a Monthly Fee of \$_____, in advance each month. In situations of double occupancy, the Monthly Fee includes the fee for the co-Resident.
- C. **Other charges.** The monthly invoice reflects all other RiverWoods charges, including charges for Ancillary Services, in addition to the Monthly Fee.
- D. **Co-Resident's responsibility.** In situations of double occupancy, each co-Resident is jointly and severally liable for all payments due under this Agreement.

- E. **Due date and fees for late payment or returned check.** Payment is due on or before the tenth (10th) day of the month in which the invoice is issued. If payment is not received on or before the last day of the month in which the invoice is issued, RiverWoods may charge a late fee in the amount of one and one-half percent (1.5%) of the total outstanding balance. If payment is rejected due to insufficient funds, Resident will be charged an "insufficient fund fee" in an amount which will be provided annually. This fee is in addition to any applicable late payment fees. RiverWoods maintains its right to utilize all legal remedies in collecting monthly or other fees to which it is entitled. Resident is obligated to pay all actual attorneys' fees and costs incurred relative to the collection of any amounts past due in excess of ninety (90) days.
- F. **Change of Fees.** RiverWoods will provide at least thirty (30) days advance notice to the resident before any change in fees or charges or the scope of care or services may be effective, except for changes required by State or Federal assistance programs.

IX. FINANCIAL AFFAIRS OF RESIDENT

- A. **Resident's financial condition.** Resident represents and warrants that Resident has not and shall not take any action to substantially change Resident's financial condition from that reported by Resident to RiverWoods on Resident's most recent financial disclosure statement. Resident agrees, no later than the Designated Occupancy Date to disclose any material changes in Resident's financial condition to RiverWoods. RiverWoods may request, at any time, and Resident shall promptly provide, a full disclosure of Resident's income and assets and any other financial information specified in the request, including documentation to verify the information. Resident agrees:
- (a) To be responsible for handling day-to-day financial affairs or appointing a representative to handle Resident's day to day financial affairs and making arrangements for disposition of property upon death;
 - (b) To conserve financial resources;
 - (c) That no transfer of assets, without full and adequate consideration, shall be made without the consent of RiverWoods, if such transfer will materially reduce Resident's ability to pay future charges to RiverWoods.
- B. **Financial assistance.** If Resident is unable to meet the financial obligations under this or other agreements with RiverWoods due to circumstances beyond the control of Resident, RiverWoods agrees to continue to provide to Resident suitable housing and services located on the RiverWoods campus (which may be a different Accommodation) at no charge or partial charge, as required by Resident's individual circumstances, for so long as Resident resides on the RiverWoods campus and continues to need financial assistance, provided that assistance to Resident, and other residents similarly situated at RiverWoods, does not impair the ability of RiverWoods to operate on a sound financial

basis and maintain the community and services for its other residents. Determination of eligibility for financial assistance will be at the sole and absolute discretion of RiverWoods and based on criteria that may be changed from time to time. Resident agrees to use all available financial resources and to apply for and obtain a final determination from all public sources, including Medicare and Medicaid, and private financial assistance, as such sources of private financial assistance as may be available, before requesting financial assistance from RiverWoods. To ensure sufficient time for the application and review process, Resident must inform the Executive Director or Administrator, in writing, at least six (6) months prior to the potential need for financial assistance, complete the application, and provide supporting documentation.

- C. **Health and long-term care insurance.** During the term of this Agreement, Resident shall have and maintain medical insurance and supplemental medical insurance as may be available and appropriate to adequately insure Resident. For Residents age 65 and older, such medical insurance may include Medicare Parts A, B, and D coverage, Medicare supplemental or Medicare HMO coverage, or equivalent private health insurance. RiverWoods encourages Resident to obtain and maintain long-term care insurance coverage throughout the term of this Agreement.

- D. **Payment responsibility notwithstanding insurance.** RiverWoods has no responsibility for obtaining payment under a health or long-term care insurance policy. Where RiverWoods does not participate with Resident's health insurer(s), RiverWoods will take reasonable steps to provide the Resident with information required for the Resident to obtain reimbursement from the insurer. Notwithstanding the existence of, or reimbursement by, a health or long-term care insurance policy, the Resident is responsible for and agrees to pay all charges due RiverWoods by the payment due date.

- E. **Limitation of Resident Liability.** In the event a health care provider seeks payment from the Resident, RiverWoods shall assume liability for the payment of health care services rendered if the health care services rendered are services which RiverWoods has agreed to furnish to a Resident in consideration of the Resident's payment of the Entrance Fee and Monthly Fees. Health care providers shall include persons rendering services to a Resident as employees of the provider facility on a fee-for-service basis or otherwise.

X. TERMINATION OF AGREEMENT

A. Termination by Resident.

1. Rescission period. Resident may terminate this Agreement within seven (7) days of execution by signing the attached Notice of Right to Rescind and delivering it to RiverWoods within the seven (7) days.

2. Prior to occupancy. After the lapse of the seven (7) day rescission period, but prior to the Designated Occupancy Date or actual date of occupancy, whichever is

earlier, Resident may terminate this agreement by delivering written notice to RiverWoods.

3. After occupancy. After Occupancy, Resident may terminate this agreement by delivery of written notice to RiverWoods at least thirty (30) days prior to the Termination Date.

B. Termination by RiverWoods.

1. **Prior to Occupancy.** RiverWoods may terminate this Agreement at any time prior to actual occupancy by providing written notice to Resident for cause, including but not limited to failure of Resident to satisfy the conditions of residency or if RiverWoods elects to discontinue operations. All payments, except the non-refundable application fee, shall be refunded to Resident.
2. **After Occupancy.** RiverWoods may terminate this Agreement upon a determination of just cause and delivery of thirty (30) days written notice to Resident or Resident's representative. The refund provisions of this Agreement shall apply to terminations for just cause in the same manner as such provisions would apply to any other termination. Just cause shall include, but not be limited to: (i) failure to pay Monthly Fees or other fees due and owing to RiverWoods; (ii) submission of any material false information in the application documents or subsequent financial statements; (iii) failure of Resident to abide by RiverWoods' written rules (iv) breach of any of the other terms of this Agreement, or (v) RiverWoods determines (with input from the Resident, Resident's family, physician and the RiverWoods Medical Director) that Resident's health status or behavior constitutes a substantial threat to Resident's health or safety or the health or safety of other residents or employees of RiverWoods.

- C. **Termination by death.** Following the death of Resident this Agreement shall terminate upon Surrender of Residence to RiverWoods. In situations of double occupancy, the death of one co-Resident, either before or after occupancy, shall not terminate this Agreement. Upon the death or departure of one co-Resident, the Monthly Fee for double occupancy of the Residence shall reduce to the Monthly Fee for single occupancy and all other provisions of the Agreement shall remain in full force and effect.

- D. **Entrance Fee refund and other obligations upon termination.** At the Termination Date, RiverWoods is released from any further obligations to Resident or Resident's estate except for the payment of any refund, which may be due. Resident or Resident's estate is released from any further obligations to RiverWoods except for the obligation to pay any amounts due to RiverWoods. If not paid prior to the date any refund becomes due and owing RiverWoods shall deduct any such sum from the refund due to Resident or his/her estate.

E. **Vacating Accommodations.** At such time as Resident ceases occupancy, Resident agrees to remove all personal property, return keys to RiverWoods, and leave the Residence in a clean and undamaged condition, reasonable wear and tear excepted. Resident shall be responsible for continuing to pay the monthly fee until all personal property is removed and keys are returned to RiverWoods. In the event that Resident's personal property is not removed from Residence within thirty (30) days of the last day of occupancy, RiverWoods may remove Resident's property and place it in storage at the risk and expense of Resident. If Resident's personal property is not removed from storage within three (3) months, it may be removed and sold by RiverWoods with the proceeds going to pay for the cost of storage and any excess funds being donated to the Asbury Foundation. RiverWoods reserves the right to discard items of property determined by RiverWoods, in its sole discretion, to be of minimal value.

XI. AVERAGE ANNUAL COST OF PROVIDING SERVICES

The average annual cost of providing care and services during the most recent twelve month period is available in the Annual Disclosure Statement. Actual costs will vary substantially according to the size of the Living Unit, the number of occupants, and upon the extent of additional services which an occupant uses during the course of the year.

XII. ADDITIONAL PROVISIONS

- A. **Resident Associations.** Residents have the right to organize and operate an association of residents, which may meet privately at RiverWoods to conduct business.
- B. **Personal Property & Insurance.** Residents who drive motor vehicles shall maintain their own automobile liability insurance to cover liability and medical expenses arising from injury to themselves and others. RiverWoods is not responsible for damage or loss to any personal property located in Residence caused by fire, storm, water damage, theft or any other cause, except for damage or loss which is attributable to the negligent acts or omissions of RiverWoods. During the term of this Agreement, Resident shall maintain the following insurance coverage at his or her own expense, and proof of such insurance required prior to occupancy.

Coverage	Minimum Limits
Personal Liability	\$350,000
Personal Property	\$10,000 or an amount equal to the replacement value of Resident's personal property
Loss of Use	\$5,000
Medical Payments	\$5,000

C. **Limit of liability and indemnification.** RiverWoods shall not be liable to Resident for any injury, illness or death or any loss or damage to property caused by or resulting from the acts or omissions of Resident or other residents of RiverWoods. Resident agrees to indemnify, defend and hold RiverWoods harmless from claims, damages or expenses,

including attorney's fees and court costs, caused by, resulting from, attributable to, or in any way connected with any negligent or intentional act or omission of Resident.

- D. **Power of Attorney.** At the time this Agreement is signed by Resident, Resident is encouraged to appoint a Power of Attorney for financial and health care matters who is authorized to perform Resident's obligations under this Agreement if Resident becomes incapacitated. Resident agrees to notify RiverWoods of any appointment or change in Power of Attorney, including contact information and a copy of the designating document.
- E. **Right of entry.** RiverWoods reserves the right to enter Residence or other Accommodations for purposes of inspection, alterations, repairs or delivery of services. Except in an Emergency Situation, RiverWoods will use its best efforts to provide Resident with advance notice of entry. At a minimum, RiverWoods staff will knock before entering the Residence.
- F. **Rights of Resident are personal and non-transferable.** The rights and privileges of Resident under this Agreement are personal to Resident and cannot be transferred or assigned. No person other than Resident may occupy or use the Residence (except as set forth in the Resident Handbook) covered by this Agreement unless approval is obtained in writing from RiverWoods.
- G. **Pets.** Pets may be allowed in certain designated Residences at RiverWoods. Refer to specific pet policy which includes requirements and limitations for pet ownership. Unless otherwise specifically allowed, pets are prohibited. Resident is responsible for paying for any damage to the Residence or other RiverWoods property caused by Resident's pet.
- H. **Use of fees.** Fees collected by ACS under the terms of this Agreement may not be used for purposes other than those set forth in this Agreement. ACS may use fees paid by continuing care residents of RiverWoods for purposes both related and unrelated to the construction, operation, maintenance, or improvement of RiverWoods, including: (a) for the furtherance of for any lawful purpose consistent with ACS's corporate mission, (b) to distribute funds to affiliated entities, (c) to benefit an affiliated community, (d) fees for management and other third party services, (e) interest/debt service on borrowed funds, (f) transfers of capital from ACS to Asbury Communities, Inc., (g) the construction of new facilities or new retirement communities, or (h) creating and operating new service lines.
- I. **Refund not escrowed.** 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.
- J. **Interest.** Interest earned on deposits, Entrance Fees, and any other funds in and under the control of RiverWoods shall be and remain the property of RiverWoods.

- K. **Notices.** Whenever a notice is required to be given to either Resident or RiverWoods under this Agreement, it shall be hand delivered or certified mail, return receipt requested.

If to RiverWoods:

RiverWoods
Attn: Executive Director
270 RidgeCrest Circle
Lewisburg, PA 17837

If to Resident:

With a copy to Resident's representative:

- L. **Rules and regulations.** Resident agrees to abide by all of the rules and regulations adopted by RiverWoods. The rules and regulations are found in the Resident Handbook and other policies or documents provided to residents from time to time.
- M. **Property rights.** This Agreement does not give Resident any right, title or interest in or to any personal property or real property (land or buildings) owned by RiverWoods.
- N. **Subordination.** All rights, privileges and benefits granted to Resident under this Agreement are subordinate to any current or future debt financing of RiverWoods property and to all assignments, amendments, modifications, replacements, refinancing or refunding of any such debt financing. Resident agrees to execute all documents required by RiverWoods acknowledging such subordination. Except for the Entrance Fee, Monthly Fee, and other fees expressly incurred by Resident, Resident has no financial responsibility to RiverWoods.
- O. **Term of this Agreement.** The terms of this Agreement are from the date of execution by Resident and RiverWoods for the Resident's lifetime unless sooner terminated as provided in this Agreement. If more than one Resident executes this Agreement, the Agreement terminates upon the death of the remaining Resident unless terminated sooner in accordance with this Agreement.

- P. **Changes to this Agreement.** Resident and RiverWoods acknowledge that this Agreement, including all Addenda, contains all of the terms of the Agreement between RiverWoods and Resident concerning Resident's taking occupancy at RiverWoods. The parties agree that this Agreement and its Addenda cannot be altered or modified except by a written amendment signed by both RiverWoods and Resident.
- Q. **Agreement is binding.** RiverWoods and Resident agree that this Agreement is binding on themselves, their successors, heirs, personal representative and assigns. If this Agreement is signed by two Residents, the terms of this Agreement shall pertain to both Residents and they shall be jointly and severally liable for all charges related to the occupancy of the Residence or other Accommodations, including, but not limited to, the Entrance Fee and the service charge.
- R. **Funeral or burial services.** Funeral and/or burial services are not arranged by or paid for by RiverWoods and the costs of funeral or burial services are not included in the Monthly Fee or other fees.
- S. **Valuables.** Resident is entitled to the safe keeping of clothing and other personal affects and reasonable security in accordance with RiverWoods guidelines. RiverWoods does not guarantee the safe keeping of any personal valuables or cash kept by you in the Residence. Resident is discouraged from keeping valuables in the Residence.
- T. **Non-discrimination.** RiverWoods accepts and treats all individuals without regard to race, creed, color, national original, religion, sex, handicap, familial status or age (except that residency is limited to those who obtained the age of 65.)
- U. **Resident's Receipt of Documents.** RiverWoods represents and Resident acknowledges that Resident has received prior to signing this Residency Agreement, the following: (i) this Residency Agreement form, with its Addenda; (ii) the current Disclosure Statement, with its Exhibits; and (iii) the current version of the written rules of RiverWoods, which rules are subject to change by RiverWoods from time to time.
- V. **Non-waiver of the Continuing Care Provider Registration and Disclosure Act of 1984.** Neither RiverWoods nor the Resident may waive the provisions of the Pennsylvania Continuing Care Provider Registration and Disclosure Act.

Signed this _____ day of _____, 20_____.

Resident(s)

Print Name _____

Signature _____

Print Name _____

Signature _____

Albright Care Services

By: _____

Print Name/Title _____

NOTICE OF RIGHT TO RESCIND

Date rescission period begins _____. Resident may rescind and terminate this Agreement without penalty or forfeiture within seven (7) days of the above date. Resident is not required to move into RiverWoods before the expiration of this seven (7) day period. No other agreement or statement you sign shall constitute a waiver of Resident’s right to rescind this Agreement within this seven (7) day period.

To rescind this Agreement, mail or deliver a signed and dated copy of this notice to the following address:

Office of the Executive Director
RiverWoods
270 RidgeCrest Circle
Lewisburg, PA 17837

Not later than midnight of _____ (last day for rescission).

Pursuant to this notice, I hereby cancel my Residency Agreement.

Signed this _____ day of _____, 20____.

Resident(s)

Print Name _____

Signature _____

Print Name _____

Signature _____

ADDENDUM A: Residence Amenities & Furnishings

COTTAGES

Clothes Washer and Dryer
Emergency Call System
Smoke Detection Systems
Refrigerator/Freezer
Electric Range/Oven
Microwave Oven
Dishwasher
Garbage Disposal
Electric Garage Door Opener with Remote Control (some units)

APARTMENT HOMES

Clothes Washer and Dryer (Alcove Apartments have access to free washer and dryer located in laundry room on each floor)
Emergency Call System
Smoke Detection Systems
Refrigerator/Freezer
Electric Range/Oven
Microwave Oven
Dishwasher
Garbage Disposal

ADDENDUM B: Dining Program

Residents receive a set amount of meal/food credits, front loaded, for a six (6) month period (January to June; July to Dec) which may be used at the various dining and food service venue on the RiverWoods campus.

The credits may be used at any time within six month issuance period. Any unused credits will not carry forward to subsequent six month period. Please refer to pricing sheet for current credits allotted to Apartment and Cottage residents.

RiverWoods reserves the right to revise its dining program at its discretion with at least thirty (30) day notice to residents.

ADDENDUM C: Residence Modifications

Resident elects to have the following modifications or enhancements to the Residence.

Change Requested

Cost

Total Cost:\$ _____

Resident agrees:

1. To pay the full cost of the alterations/enhancements itemized above at the time of execution of this Addendum.
2. To assume responsibility for maintenance and repair of such alterations/enhancements.
3. At the time of vacating the Residence, to reimburse RiverWoods for the costs of restoring the Residence to its condition prior to the addition of the alterations/enhancements if RiverWoods elects to have such alterations/enhancements removed at that time.
4. Resident acknowledges that no portion of the funds paid for Residence alterations shall be refunded to Resident upon termination of this Agreement, regardless of whether this Agreement is terminated by Resident or RiverWoods, before or after Resident's date of occupancy; provided, however, that if the termination is prior to Resident's date of occupancy, RiverWoods shall retain only such funds that do not exceed the cost of modification or the reasonable costs of restoration actually incurred by RiverWoods.
5. This Addendum C is attached to and made a part of the Residency Agreement dated the same date as this Exhibit between RiverWoods and:

Signed this _____ day of _____, 20_____.

Resident(s)

Print Name _____

Signature _____

Print Name _____

Signature _____

Albright Care Services

By: _____

Print Name/Title _____

ADDENDUM D: Entrance Fee Refunds

1. REFUNDS BEFORE DESIGNATED OCCUPANCY DATE

A. Within the seven (7) day rescission period. All Entrance Fee payments will be refunded in full if the Resident rescinds this Agreement within seven (7) days of execution, less any amount deducted to cover expenses incurred by RiverWoods at the specific written request of Resident.

B. After the seven (7) day rescission period

1. Death, illness, injury or incapacity. If Resident dies before the Designated Occupancy Date, or through illness, injury or incapacity is precluded from becoming a resident under the terms of the Agreement, all Entrance Fee payments will be refunded in full, less any amount deducted to cover expenses incurred by RiverWoods at the specific written request of Resident.

2. Any other reason. If Resident decides to rescind this Agreement before the Designated Occupancy Date, all Entrance Fee payments will be refunded in full, less any amount deducted to cover expenses incurred by RiverWoods at the specific written request of Resident and less a \$1,000.00 processing fee.

2. REFUNDS AFTER DESIGNATED OCCUPANCY DATE

A. **Termination of Agreement.** If Agreement is terminated, RiverWoods will determine the refund, based on the amount of either the standard or the alternative Entrance Fee, whichever fee has been paid by the Resident as follows:

(1) **Refund of the Standard Entrance Fee.** Resident shall be entitled to a refund during the first 50 months of occupancy. The amount of the refund will be determined by using the following formula:

PERIOD OF OCCUPANCY	AMOUNT OF REFUND
50 MONTHS OR LESS	ENTRANCE FEE* <u>MINUS</u> [2% OF ENTRANCE FEE <u>MULTIPLIED</u> BY THE MONTHS AND THE PARTIAL MONTHS THAT RESIDENT OCCUPIED ANY ACCOMODATION IN RIVERWOODS]
51 MONTHS OR MORE	\$0

**The Entrance Fee used in this formula shall be the fee paid by Resident or the successor Resident, whichever is less.*

- (2) **Refund of Fifty Percent Refundable Entrance Fee.** Resident shall be entitled to a refund calculated when the Resident permanently vacates all previously occupied Accommodations in RiverWoods. The amount of the refund will be Fifty percent of the Entrance Fee paid by Resident.
- (3) It is expressly understood by Resident that RiverWoods' obligation to pay a refund in accordance with the foregoing formulas and terms is dependent upon (a) RiverWoods receipt of an Entrance Fee from a successor Resident for the Residence (for which Resident's Entrance Fee was determined), and (b) Resident vacating all Accommodations in RiverWoods.
- (4) RiverWoods will use its best efforts to procure a willing and able successor resident to enable RiverWoods to refund the Entrance Fee; however, RiverWoods does not guarantee when or if it will be able to procure such new resident. It is further understood that should there be more than one residence available at any particular time RiverWoods has no obligation to give preference to his or her Residence.
- (5) Any refund due to Resident will be sent to Resident within sixty (60) days of RiverWoods' receipt of an Entrance Fee from a successor resident or the date that the Resident terminates residency anywhere at RiverWoods, whichever occurs last.
- (6) Deduction from Refund. Any refund otherwise due pursuant to Addendum D shall be reduced by any amounts owed for any unpaid residential or service fees owed to RiverWoods or its affiliate on the effective date of termination.

ADDENDUM E: Beneficiary Designation – Entrance Fee Refund

Note: It is recommended that you review this form with the attorney who advises you on estate planning so that the disposition of the Entrance Fee refund, if any, can be coordinated with your existing will and estate plan.

I/We, _____ (name of Resident[s]), understand that pursuant to the Residency Agreement (“Agreement”) with Albright Care Services d/b/a RiverWoods, a Pennsylvania not-for-profit corporation (“ACS”) dated _____, 20__, I/we may be entitled to a refund of the Entrance Fee (the “Refund”) under the conditions specified in Addendum D of the Agreement.

I/We further understand that, in the event that a Refund becomes payable under the terms of the Agreement due to my death on or after my Designated Occupancy Date or actual date of occupancy, whichever is earlier, I/we may assign my right to the Refund and designate a beneficiary to receive the Refund, and that the disposition of the Refund, as provided below, supersedes any prior instructions to ACS that I may have provided to take effect during the period prior to the date set forth below.

In the event that a Refund becomes payable under the terms of the Agreement due to my death on or after my Designated Occupancy Date or actual date of occupancy, whichever is earlier, **I/we HEREBY DIRECT ACS** to pay or transfer the Refund at such time as the Refund becomes payable, to:

A. _____ To my/our Estate.

B. _____ To the individual(s) or organization(s) in the percentages named below.

Beneficiary ¹	Percentage of Refund ²
(1) _____ Name	_____

Address	

(2) _____ Name	_____

¹ Additional names and addresses may be added if necessary.
¹ The Percentage of Refund must account for 100% of the Refund due.

Address

(3) _____
Name

Address

(3) _____
Name

Address

C. _____ To the individual(s) and in the percentage(s) named in Section B above. If any individual(s) named in Section B above is not then surviving, then: (1) _____ to the individual's(s') descendants per stirpes; or (2) _____ to the remaining beneficiaries in equal amounts; or (3) _____ other (please specify _____).

D. _____ To the organization(s) and in the percentage(s) named in Section B above. If the organization(s) is no longer in existence, then: (1) _____ to its successor organization(s); or (2) _____ to the remaining beneficiaries in equal amounts; or (3) _____ other (please specify _____).

If none of the beneficiaries named in Sections B, C or D, above is living or in existence at the time the Refund is to be distributed, then I/we direct the amount payable to be paid to my/our estate.

I/We reserve the right to revoke or change this beneficiary designation by notice to ACS.

The undersigned hereby authorizes ACS to offset against any repayment of the Refund all sums which remain unpaid under the terms of the Agreement at the time that the Refund becomes payable; provided, however, that if the Refund is payable in accordance with the terms of Addendum D of the Agreement, then the Refund shall not be reduced beyond the amount due to the Resident by law.

The undersigned hereby agrees to indemnify and hold ACS harmless from any claims and any costs or expenses, including reasonable attorney's fees, which may be incurred by ACS as a result of, or otherwise in connection with, ACS's payment of the Refund in accordance with this Beneficiary Designation. This indemnity provision is binding on the undersigned, his or her estate, heirs, personal representatives, and assigns.

IN WITNESS WHEREOF, the undersigned has executed this Beneficiary Designation on this ____ day of _____, 20____.

Resident

Print Name _____

Signature _____

Witness _____

Witness _____

Resident

Print Name _____

Signature _____

Witness _____

Witness _____

ACS hereby acknowledges receipt of the executed Beneficiary Designation.

By: _____

Name: _____

Title: _____

Date: _____

ADDENDUM F: VOLUNTARY CHANGE IN RESIDENT’S UNIT

Resident voluntarily desires to relocate from _____ (“Current Residence”) to _____ (“New Residence”).

Albright Care Services (ACS) agrees to such relocation. The Designated Occupancy Date for the New Residence is _____.

If the New Residence is under construction at the time the Resident executes this Addendum, then no Designated Occupancy Date shall be specified and ACS shall give Resident thirty (30) days’ advance notice of the date when the Residence will be made available, which date shall be the Designated Occupancy Date.

Resident agrees to pay any applicable Entrance Fee that may be due according to terms of this Agreement. Costs of moving are also the responsibility of the Resident. All other terms and conditions of the Agreement apply and will remain in full force and effect.

(Check Applicable Box Below)

- Resident agrees to pay an additional _____ Entrance Fee for the New Residence.
- Resident will receive an Entrance Fee refund in the amount of _____, which shall be paid in accordance with the timing provisions outlined in Addendum C, Section 2.A of this Agreement.

Signed this _____ day of _____, 20__.

Resident(s)

Print Name: _____ Print Name: _____

Signature: _____ Signature: _____

Witness: _____ Witness: _____

Albright Care Services

Print Name: _____

Signature: _____

Title: _____