



Episcopal Communities & Services
2212 El Molino Avenue Altadena, CA 91001

October 31, 2025

Continuing Care Contracts Branch
California Department of Social Services
744 P Street, M.S. 9-14-91
Sacramento, California 95814

I hereby certify that the enclosed Continuing Care Reports are correct, that the contracts in use for residents at Scripps Kensington, The Canterbury, The Covington and MonteCedro have been Approved by the California Department of Social Services, and that statutory reserves and refund reserves are being maintained pursuant to the requirements of the California Health and Safety Code.

James S Rothrock
President and CEO



Report of Independent Auditors and
Continuing Care Liquid Reserve Schedules
with Supplementary Schedules

**Episcopal Communities & Services
For Seniors**

June 30, 2025

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Report of Independent Auditors

The Board of Directors
Episcopal Communities & Services for Seniors

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Episcopal Communities & Services for Seniors, which comprise continuing care liquid reserve schedules, Form 5–1 through Form 5–5, as of and for the year ended June 30, 2025.

In our opinion, the accompanying financial statements present fairly, in all material respects, the continuing care liquid reserve schedules, Form 5–1 through Form 5–5, of Episcopal Communities & Services for Seniors as of and for the year ended June 30, 2025, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

Basis for Opinion

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

Basis of Accounting

We draw attention to the basis of accounting used to prepare the financial statements. The financial statements are prepared by Episcopal Communities & Services for Seniors on the basis of the liquid reserve requirements of California Health and Safety Code Section 1792, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of California Health and Safety Code Section 1792. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the liquid reserve requirements of California Health and Safety Code Section 1792. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying attachment to Form 5–4, Calculation of Net Operating Expenses – Scripps Kensington; attachment to Form 5–4, Reconciliation of Net Operating Expenses – Scripps Kensington; attachment to Form 5–4, Bond Interest Reconciliation; attachment to Form 5–4, Reconciliation of Revenue Received for Non-CCRC Residents; attachment to Form 5–4, Required Disclosure Under Section 1790 (a)(2); and attachment to Form 5–5, Description of Reserves, presented as supplementary schedules, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management of Episcopal Communities & Services for Seniors and the California Department of Social Services and is not intended to be, and should not be, used by anyone other than these specified parties.

Other Information

Management is responsible for the other information included in the California Department of Social Services Annual Report. The other information comprises Forms 1–1, 1–2, and 7–1, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Pasadena, California
October 8, 2025

Continuing Care Liquid Reserve Schedules

Episcopal Communities & Services for Seniors

Form 5-1

Long-Term Debt Incurred in Prior Fiscal Year

June 30, 2025

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Interest Paid During Fiscal Year	(d) Credit Enhancement Premiums Paid in Fiscal Year	(e) Total Paid (columns (b) + (c) + (d))
1	05/16/22	\$ 1,500,000	\$ 1,508,600		\$ 3,008,600
2	11/15/22	1,280,000	1,037,655		2,317,655
3	01/24/24	-	5,058,075		5,058,075
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
	TOTAL:	\$ 2,780,000	\$ 7,604,330	\$ -	\$ 10,384,330

(Transfer this amount
to
Form 5-3, Line 1)

NOTE: For column (b), do not include voluntary payments made to pay down principal.

PROVIDER: EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS

Episcopal Communities & Services for Seniors**Form 5-2****Long-Term Debt Incurred During the Fiscal Year****June 30, 2025**

Long-Term Debt Obligation	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments over next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1					
2					
3					
4					
5					
6					
7					
8					
TOTAL:		\$ -	\$ -	-	\$ -

*(Transfer this amount
to
Form 5-3, Line 2)*

NOTE: For column (b), do not include voluntary payments made to pay down principal.

PROVIDER: EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS

Episcopal Communities & Services for Seniors
Form 5-3
Calculation of Long-Term Debt Reserve Amount
June 30, 2025

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	\$ 10,384,330
2	Total from Form 5-2 bottom of Column (e)	\$ -
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	\$ -
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	\$ 10,384,330

PROVIDER: EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS

Scripps Kensington
Episcopal Communities & Services for Seniors
Form 5-4
Calculation of Net Operating Expenses
June 30, 2025

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		\$ 333,196
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)		
	b. Credit enhancement premiums paid for long-term debt (see instructions)		
	c. Depreciation		
	d. Amortization		
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract		
	f. Extraordinary expenses approved by the Department	\$ 54,274	
3	Total deductions		\$ 54,274
4	Net operating expenses		\$ 278,922
5	Divide Line 4 by 365 and enter the result.		\$ 764
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		\$ 57,300
PROVIDER:	EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS		
COMMUNITY:	SCRIPPS KENSINGTON		

The Canterbury
Episcopal Communities & Services for Seniors
Form 5-4
Calculation of Net Operating Expenses
June 30, 2025

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		\$ 22,082,834
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 1,003,391	
	b. Credit enhancement premiums paid for long-term debt (see instructions)		
	c. Depreciation	\$ 2,985,284	
	d. Amortization	\$ 40,512	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 6,890,566	
	f. Extraordinary expenses approved by the Department		
3	Total deductions		\$ 10,919,753
4	Net operating expenses		\$ 11,163,081
5	Divide Line 4 by 365 and enter the result.		\$ 30,584
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		\$ 2,293,800
PROVIDER:	EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS		
COMMUNITY:	THE CANTERBURY		

The Covington
Episcopal Communities & Services for Seniors
Form 5-4
Calculation of Net Operating Expenses
June 30, 2025

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		\$ 28,159,738
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 2,152,698	
	b. Credit enhancement premiums paid for long-term debt (see instructions)		
	c. Depreciation	\$ 5,713,176	
	d. Amortization	\$ 66,119	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 731,388	
	f. Extraordinary expenses approved by the Department		
3	Total deductions		\$ 8,663,381
4	Net operating expenses		\$ 19,496,357
5	Divide Line 4 by 365 and enter the result.		\$ 53,415
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		\$ 4,006,125
PROVIDER:	EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS		
COMMUNITY:	THE COVINGTON		

MonteCedro
Episcopal Communities & Services for Seniors
Form 5-4
Calculation of Net Operating Expenses
June 30, 2025

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		\$ 29,841,390
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 4,448,241	
	b. Credit enhancement premiums paid for long-term debt (see instructions)		
	c. Depreciation	\$ 5,711,401	
	d. Amortization	\$ 103,316	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 377,611	
	f. Extraordinary expenses approved by the Department		
3	Total deductions		\$ 10,640,569
4	Net operating expenses		\$ 19,200,821
5	Divide Line 4 by 365 and enter the result.		\$ 52,605
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		\$ 3,945,375
PROVIDER:	EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS		
COMMUNITY:	MONTECEDRO		

Episcopal Communities & Services for Seniors
Form 5-5
Annual Reserve Certification
June 30, 2025

Provider Name: EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS

Fiscal Year Ended: 6/30/2025

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 6/30/2025 and are in compliance with those requirements.

Our liquid reserve requirements, computed using the audited financial statements for the fiscal year are as follows:

	<u>Amount</u>
[1] Debt Service Reserve Amount	<u>\$ 10,384,330</u>
[2] Operating Expense Reserve Amount	<u>\$ 10,302,600</u>
[3] Total Liquid Reserve Amount:	<u>\$ 20,686,930</u>

Qualifying assets sufficient to fulfill the operating reserve and debt service requirements, based on market value at end of fiscal year were applicable, are held as follows:

<u>Qualifying Asset Description</u>	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	<u>\$ 5,260,775</u>	<u>\$ 4,661,982</u>
[5] Investment Securities	<u></u>	<u>\$ 141,903,263</u>
[6] Equity Securities	<u></u>	<u></u>
[7] Unused/Available Lines of Credit	<u></u>	<u></u>
[8] Unused/Available Letters of Credit	<u></u>	<u></u>
[9] Debt Service Reserve	<u>\$ 5,123,555</u>	<u>(not applicable)</u>
[10] Other:	<u></u>	<u></u>

Qualifying assets used in these reserves are described as follow:

Total Amount of Qualifying Assets

Listed for Reserve Obligation:	[11]	<u>\$ 10,384,330</u>	[12]	<u>\$ 146,565,245</u>
Reserve Obligation Amount:	[13]	<u>\$ 10,384,330</u>	[14]	<u>\$ 10,302,600</u>
Surplus/(Deficiency):	[15]	<u>\$ -</u>	[16]	<u>\$ 136,262,645</u>

Signature:


(Authorized Representative)

Date: 10/31/2025

Chief Financial Officer
(Title)

Supplementary Schedules

Episcopal Communities & Services for Seniors
Attachment to Form 5–4
Calculation of Net Operating Expenses – Scripps Kensington
June 30, 2025

Outsourced Facilities

ATHERTON	\$ 80,737
CLAREMONT MANOR	56,781
SOLHEIM	13,125
TOWN AND COUNTRY MANOR	35,691
Year-end adjustment for pre-billed rent	<u>(2,075)</u>

Total outsourced facilities	184,259
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Ancillary	6,236
Resident allowance	6,400
Resident relations*	30,072
Other programs and services	15,828
General and administrative	89,776
Liability insurance	96
Banking fees	<u>529</u>

Total operating expenses (Form 5–4, Line 1)	<u>333,196 (a)</u>
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*Resident relations cost represents payroll and benefits for one employee who visits the residents at the outsourced facilities and coordinates services for the residents, plus worker's comp expenses incurred for prior year claims

Extraordinary Deduction

Episcopal Communities & Services for Seniors ("ECS") receives and deposits residents' monthly payments from social security and pension. This income pays for part of the outsourced facility costs. However, ECS is responsible to pay the total outsourced facility monthly fees and ancillary.

Lifecare Outside Facility Gross Revenue	159,627
Lifecare Outside Facility – Benevolence	<u>(105,353)</u>
Total extraordinary deduction (Form 5–4, Line 2f)	<u>54,274 (b)</u>

Net operating expenses (Form 5–4, Line 4)	<u><u>\$ 278,922 (a)–(b)</u></u>
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Episcopal Communities & Services for Seniors
Attachment to Form 5–4
Reconciliation of Net Operating Expenses – Scripps Kensington
June 30, 2025

Revenue	
Routine service revenue	\$ 54,274
Total revenue	<u>54,274</u>
Operating expenses	
General and administrative	96,176
Program and special services	45,900
Ancillary	6,236
Outsourced resident rent	184,259
Liability insurance	96
Banking fees	<u>529</u>
Total operating expenses (Form 5–4, Line 1)	<u>333,196</u>
Other expenses	
(Gain)/Loss from disc. operation	<u>(273,796)</u>
Operating income (loss)	<u><u>\$ (5,126)</u></u>

* Scripps Kensington has ceased operations; therefore, expenses are included in discontinued operations in the statement of operations, net of revenue earned.

Episcopal Communities & Services for Seniors
Attachment to Form 5–4
Bond Interest Reconciliation
June 30, 2025

	<u>The Canterbury</u>	<u>The Covington</u>	<u>MonteCedro</u>	<u>Total</u>
Series 2022A Interest Paid:				
Paid on 11/15/24	\$ 54,988	\$ 699,312	\$ -	\$ 754,300
Paid on 5/15/25	54,988	699,312	-	754,300
Series 2022B Interest Paid:				
Paid on 11/15/24	\$ -	\$ -	\$ 528,075	\$ 528,075
Paid on 5/15/25	-	-	509,579	509,579
Series 2024A Interest Paid:				
Paid on 11/15/24	\$ -	\$ -	\$ 577,500	\$ 577,500
Paid on 5/15/25	-	-	577,500	577,500
Series 2024B Interest Paid:				
Paid on 11/15/24	\$ 446,707	\$ 377,037	\$ 1,127,794	\$ 1,951,538
Paid on 5/15/25	446,707	377,037	1,127,794	1,951,538
Total Bond Interest Paid for FY 2025	<u>\$ 1,003,390</u>	<u>\$ 2,152,698</u>	<u>\$ 4,448,242</u>	<u>\$ 7,604,330</u>
Bond Interest Expense 7/1/24 - 6/30/25:	\$ 109,358	\$ 1,390,756	\$ 1,033,030	\$ 2,533,144
Bond Capitalized Interest 7/1/24 - 6/30/25:	893,414	754,074	3,410,587	5,058,075
Total Bond Interest Expensed & Capitalized For FY 2025	<u>\$ 1,002,772</u>	<u>\$ 2,144,830</u>	<u>\$ 4,443,617</u>	<u>\$ 7,591,219</u>
	<u>The Canterbury</u>	<u>The Covington</u>	<u>MonteCedro</u>	<u>Total</u>
Interest Expense per audited financial statements	\$ 113,497	\$ 1,410,489	\$ 1,055,222	\$ 2,579,208
Less: Interest Expense - Entrance Fees - FY 2025	(4,139)	(19,733)	(22,192)	(46,064)
Total Bond Interest Expense For FY 2025	<u>\$ 109,358</u>	<u>\$ 1,390,756</u>	<u>\$ 1,033,030</u>	<u>\$ 2,533,144</u>
Less: Total Accrued Interest Payable 6/30/25	(124,805)	(261,219)	(553,718)	(939,742)
Add: Interest Capitalized in FY 2025	893,414	754,074	3,410,587	5,058,075
Add: Total Accrued Interest Payable 6/30/24	125,424	269,087	558,342	952,853
Total Bond Interest Paid for FY 2025 (Form 5–4, Line 2a)	<u>\$ 1,003,391</u>	<u>\$ 2,152,698</u>	<u>\$ 4,448,241</u>	<u>\$ 7,604,330</u>

Episcopal Communities & Services for Seniors
Attachment to Form 5–4
Reconciliation of Revenue Received for Non-CCRC Residents
June 30, 2025

	<u>Scripps Kensington</u>	<u>The Canterbury</u>	<u>The Covington</u>	<u>MonteCedro</u>
Resident care fees, net	N/A	\$ 14,630,054	\$ 16,952,881	\$ 17,917,388
Ancillary services	N/A	1,343,009	1,304,695	1,037,028
Miscellaneous income	N/A	-	62,939	26,681
Subtotal	N/A	15,973,063	18,320,515	18,981,097
Changes in:				
Accounts receivable	N/A	(312,686)	(35,821)	(100,562)
Deposits from residents	N/A	(23,529)	2,387	3,536,452
Deferred revenue	N/A	-	-	(26,516)
Subtotal	N/A	(336,215)	(33,434)	3,409,374
Total	N/A	15,636,848	18,287,081	22,390,471
Resident care fees, net per audited cash flow statements in '000s	N/A	15,637	18,287	22,390
Less changes in:				
Deposits from residents (refund)	N/A	23,529	(2,387)	(3,536,452)
Deferred Revenue (unrelated to residents revenue)	N/A	-	-	26,516
Total revenue received	N/A	15,660,377	18,284,694	18,880,535
Percentage allocated to non-CCRC residents per Form 1–1	N/A	44%	4%	2%
Revenue received from non-CCRC residents (Form 5–4, Line 2e)	N/A	\$ 6,890,566	\$ 731,388	\$ 377,611
Miscellaneous income per audited financial statements		\$ 56,025	\$ 73,020	\$ 233,431
Less: miscellaneous income (unrelated to resident revenue)		(56,025)	(10,081)	(206,750)
Miscellaneous income (related to resident revenue)		\$ -	\$ 62,939	\$ 26,681

Episcopal Communities & Services for Seniors

Attachment to Form 5–4

Required Disclosure Under Section 1790 (a)(2)

June 30, 2025

Per Capita Cost of Operations	<u>Scripps Kensington</u>	<u>The Canterbury</u>	<u>The Covington</u>	<u>MonteCedro</u>	<u>Total</u>
Operating expenses (Form 5–4, Line 1)	\$ 333,196	\$ 22,082,834	\$ 28,159,738	\$ 29,841,390	\$ 80,417,158
Mean # of all residents (Form 1–1, Line 10)	<u>4.5</u>	<u>145.5</u>	<u>219.5</u>	<u>227.5</u>	<u>597.0</u>
Per capita cost of operations	<u>\$ 74,044</u>	<u>\$ 151,772</u>	<u>\$ 128,290</u>	<u>\$ 131,171</u>	<u>\$ 134,702</u>

Episcopal Communities & Services for Seniors
Attachment to Form 5–5
Description of Reserves
June 30, 2025

		<u>Additional Comments</u>
Total Qualifying Assets as Fields		
Cash and cash equivalents	\$ 9,922,757	
Investment securities	141,903,263	Investment securities are approximately 50% fixed income/50% equities.
Debt service reserve	<u>5,123,555</u>	Balance in Capitalized Interest Fund at 6/30/2025.
Total qualifying assets as field	<u>156,949,575</u>	

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**CONTINUING CARE RETIREMENT COMMUNITY
DISCLOSURE STATEMENT**

Date Prepared: 10/31/2025

Facility Name: MonteCedro

Address: 2212 El Molino Ave Altadena

Zip Code: 91001

Phone: (626) 788-4900

Provider Name:

Episcopal Communities & Services for Seniors

Facility Operator: Episcopal Communities & Services for Seniors

Religious Affiliation: Episcopal

Year Opened: 2015

of Acres: 8.2

Miles to Shopping Center: 0.25

Miles to Hospital: 4.7

☐ Single Story☒ Multi-Story☐ Other:**Number of Units:**

Residential Living	Number of Units	Health Care	Number of Units
Apartments – Studio:		Assisted Living:	
Apartments – 1 Bdrm:	88	Skilled Nursing:	
Apartments – 2 Bdrm:	93	Special Care:	20
Cottages/Houses:	2 (3 bdrm apts)	Description:	Memory Care

RLU Occupancy (%) at Year End: 95.08%

Type of Ownership: ☒ Not for Profit
☐ For Profit**Accredited?** ☐ Yes By:
☒ No**Form of Contact:** ☒ Continuing Care ☐ Life Care ☒ Entrance Fee ☒ Fee for Service
(Check all that apply) ☐ Assignment of Assets ☐ Equity ☐ Membership ☐ Rental**Refund Provisions:** ☒ Refundable ☐ 90% ☐ 50%
(Check all that apply) ☒ Repayable ☐ 75% ☒ Other: 1-80%; 2-36mo**Range of Entrance Fees:** \$366,007 - \$2,076,501**Long-Term Care Insurance Required?** ☐ Yes ☒ No**Health Care Benefits Included in Contract:** none**Entry Requirements:** Min Age: 60 Prior Profession: n/a Other: n/a**Resident Representative(s) to, and Resident Members on, the Board:**

(briefly describe provider's compliance and residents' roles): There is one Resident Member and one Resident Representative (non-voting). The Representative attends Board meetings as called and reports to the Resident Council and residents' meetings as appropriate.

All providers are required by Health and Safety Code section 1789.1 to provide this report to prospective residents before executing a deposit agreement or continuing care contract or receiving any payment. Many communities are part of multi-facility operations which may influence financial reporting. Consumers are encouraged to ask questions of the continuing care retirement community that they are considering and to seek advice from professional advisors.

Facility Services and Amenities

Common Area Amenities	Available	Fee for Service	Services Available	Included in Fee	For Extra Charge
Beauty/Barber Shop	☐	☒	Housekeeping (<u>2</u> Times/	☒	☒
Billiard Room	☐	☐	Month at \$_____each)		
Bowling Green	☒	☐	Meals (___/Day)	☒	☒
Card Rooms	☒	☐	Special Diets Available	☒	☐
Chapel	☒	☐			
Coffee Shop	☒	☐	24-Hour Emergency Response	☒	☐
Craft Rooms	☒	☐	Activities Program	☒	☐
Exercise Room	☒	☐	All Utilities Except Phone	☒	☐
Golf Course Access	☐	☐	Apartment Maintenance	☒	☐
Library	☒	☐	Cable TV	☒	☐
Putting Green	☐	☐	Linens Furnished	☐	☐
Shuffleboard	☐	☐	Linens Laundered	☐	☒
Spa	☒	☐	Medication Management	☐	☒
Swimming Pool – Indoor	☐	☐	Nursing/Wellness Clinic	☒	☐
Swimming Pool – Outdoor	☒	☐	Personal Home Care	☐	☒
Tennis Court	☐	☐	Transportation – Personal	☒	☒
Workshop	☐	☐	Transportation – Prearranged	☒	☒
Other: _____	☐	☐	Other: _____	☐	☐

Provider Name: Episcopal Communities & Services for Seniors

Affiliated CCRCs	Location (city, state)	Phone (with area code)
The Canterbury	Rancho Palos Verdes, CA	(310) 541-2410
The Covington	Aliso Viejo, CA	(909) 389-8500

Multi-Level Retirement Communities	Location (city, state)	Phone (with area code)

Free-Standing Skilled Nursing	Location (city, state)	Phone (with area code)

Subsidized Senior Housing	Location (city, state)	Phone (with area code)

NOTE: Please indicate if the facility is a life care facility.

Provider Name: Episcopal Communities & Services for Seniors

Income and Expenses [Year]	2022	2023	2024	2025
Income from Ongoing Operations				
Operating Income (Excluding amortization of entrance fee income)	\$24,545,000	\$43,364,000	\$57,015,000	\$60,822,000
Less Operating Expenses (Excluding depreciation, amortization, and interest)	(37,627,000)	(41,423,000)	(59,090,000)	(62,893,000)
Net Income From Operations	(13,082,000)	1,941,000	(2,075,000)	(2,071,000)
Less Interest Expense	(2,384,000)	(1,664,000)	(2,702,000)	(2,578,000)
Plus Contributions	126,000	155,000	163,000	248,000
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)	0	0	0	0
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization	(15,340,000)	432,000	(4,614,000)	(4,401,000)
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)	\$9,114,000	\$6,749,000	\$12,016,000	\$9,194,000

Description of Secured Debt (as of most recent fiscal year end)

Lender	Outstanding Balance	Interest Rate	Date of Origination	Date of Maturity	Amortization Period
Pvt Investor Bonds 2022A	\$48,125,000	3.04%	05/16/2022	05/15/2047	25 years
Pvt Investor Bonds 2022B	\$35,265,000	2.89%	11/16/2022	11/15/2044	22 years
CHFFA Series 2024A	\$30,000,000	3.85%	05/16/2024	05/15/2028	4 years
CHFFA Series 2024B	\$75,515,000	5-5.25%	05/16/2024	05/15/2059	35 years

Financial Ratios (see last page for ratio formulas)

Financial Ratios [Year]	CCAC Medians 50th Percentile (optional)	2023	2024	2025
Debt to Asset Ratio		29.42%	40.77%	38.26%
Operating Ratio		99.01%	89.59%	89.57%
Debt Service Coverage Ratio		2.94	4.25	3.60
Days Cash On Hand Ratio		650.53	853.21	867.95

Provider Name: Episcopal Communities & Services for Seniors

Historical Monthly Service Fees (Average Fee and Change Percentage)

Residence/Service [Year]	2022	%	2023	%	2024	%	2025	%
Studio	\$7,136	4.0	\$7,486	4.9	\$7,792	4.0	\$8,207	5.0
One Bedroom	5,598	4.0	5,870	4.9	5,637	4.0	5,919	5.0
Cottage/House	9,207	4.0	9,658	4.9	10,040	4.0	10,542	5.0
Assisted Living								
Skilled Living								
Special Care	8,741	4.0	9,169	4.9	9,531	4.0	10,709	7.0

Comments from Provider:

ECS FY 2024 numbers reflect a merger of MonteCedro (formerly MonteCedro Inc.) into the corporation.

Financial Ratio Formulas

Long-Term Debt to Total Assets Ratio

$$\frac{\text{Long Term Debt, less Current portion}}{\text{Total Assets}}$$

Operating Ratio

$$\frac{\text{Total Operating Expenses - Depreciation Expense - Amortization Expense}}{\text{Total Operating Revenues - Amortization of Deferred Revenue}}$$

Debt Service Coverage Ratio

$$\frac{\text{Total Excess of Revenues Over Expenses} + \text{Interest, Depreciation, and Amortization Expenses} + \text{Amortization of Deferred Revenue} + \text{Net Proceeds from Entrance Fees}}{\text{Annual Debt Service}}$$

Days Cash On Hand Ratio

$$\frac{\text{Unrestricted Current Cash \& Investments} + \text{Unrestricted Non-Current Cash and Investments}}{(\text{Operating Expenses - Depreciation - Amortization})/365}$$

NOTE: These formulas are also used by the Continuing Care Accreditation Commission. For each formula, that organization also publishes annual median figures for certain continuing care retirement communities.

**CONTINUING CARE RETIREMENT COMMUNITY
DISCLOSURE STATEMENT**

Date Prepared: 10/31/2025

Facility Name: The Canterbury		
Address: 5801 W Crestridge Rd, RPV	Zip Code: 90275	Phone: (310) 541-2410
Provider Name: Episcopal Communities & Services for Seniors		

Facility Operator: Episcopal Communities & Services for Seniors			
Religious Affiliation: Episcopal			
Year Opened: 1983	# of Acres: 5.3	Miles to Shopping Center: 3.0	Miles to Hospital: 6.0
☐ Single Story	☒ Multi-Story	☐ Other:	

Number of Units:			
Residential Living	Number of Units	Health Care	Number of Units
Apartments – Studio:		Assisted Living:	34
Apartments – 1 Bdrm:	46	Skilled Nursing:	
Apartments – 2 Bdrm:	52	Special Care:	9
Cottages/Houses:		Description:	Memory Care

RLU Occupancy (%) at Year End: 94.9%

Type of Ownership:	☒ Not for Profit	Accredited?	☐ Yes By:
	☐ For Profit		☒ No
Form of Contact:	☒ Continuing Care	☐ Life Care	☒ Entrance Fee
(Check all that apply)	☐ Assignment of Assets	☐ Equity	☒ Fee for Service
		☐ Membership	☐ Rental
Refund Provisions:	☒ Refundable	☐ 90%	☐ 50%
(Check all that apply)	☒ Repayable	☐ 75%	☒ Other: 1-80%; 2-36mo
Range of Entrance Fees:	\$ 160,650 - \$ 791,175		
Long-Term Care Insurance Required?	☐ Yes ☒ No		

Health Care Benefits Included in Contract: none

Entry Requirements: Min Age: 60 Prior Profession: n/a Other: n/a

Resident Representative(s) to, and Resident Members on, the Board:

(briefly describe provider's compliance and residents' roles): There is one Resident

Member and one Resident Representative (non-voting). The Representative attends Board meetings as called and reports to the Resident Council and residents' meetings as appropriate.

All providers are required by Health and Safety Code section 1789.1 to provide this report to prospective residents before executing a deposit agreement or continuing care contract or receiving any payment. Many communities are part of multi-facility operations which may influence financial reporting. Consumers are encouraged to ask questions of the continuing care retirement community that they are considering and to seek advice from professional advisors.

Facility Services and Amenities

Common Area Amenities	Available	Fee for Service	Services Available	Included in Fee	For Extra Charge
Beauty/Barber Shop	☒	☒	Housekeeping (<u>4</u> Times/	☒	☐
Billiard Room	☐	☐	Month at \$_____each)		
Bowling Green	☐	☐	Meals (<u>1</u> /Day)	☒	☐
Card Rooms	☒	☐	Special Diets Available	☒	☐
Chapel	☒	☐			
Coffee Shop	☒	☐	24-Hour Emergency Response	☒	☐
Craft Rooms	☒	☐	Activities Program	☒	☐
Exercise Room	☒	☐	All Utilities Except Phone	☒	☐
Golf Course Access	☐	☐	Apartment Maintenance	☒	☐
Library	☒	☐	Cable TV	☒	☐
Putting Green	☒	☐	Linens Furnished	☒	☐
Shuffleboard	☐	☐	Linens Laundered	☒	☐
Spa	☐	☐	Medication Management	☐	☒
Swimming Pool – Indoor	☐	☐	Nursing/Wellness Clinic	☒	☐
Swimming Pool – Outdoor	☒	☐	Personal Home Care	☐	☒
Tennis Court	☐	☐	Transportation – Personal	☐	☒
Workshop	☐	☐	Transportation – Prearranged	☒	☐
Other: _____	☐	☐	Other: _____	☐	☐

Provider Name: Episcopal Communities & Services for Seniors

Affiliated CCRCs	Location (city, state)	Phone (with area code)
The Covington	Aliso Viejo, CA	(949) 389-8500
MonteCedro	Altadena, CA	(626) 788-4900

Multi-Level Retirement Communities	Location (city, state)	Phone (with area code)

Free-Standing Skilled Nursing	Location (city, state)	Phone (with area code)

Subsidized Senior Housing	Location (city, state)	Phone (with area code)

NOTE: Please indicate if the facility is a life care facility.

Provider Name: Episcopal Communities & Services for Seniors

Income and Expenses [Year]	2022	2023	2024	2025
Income from Ongoing Operations				
Operating Income (Excluding amortization of entrance fee income)	\$24,545,000	\$43,364,000	\$57,015,000	\$60,822,000
Less Operating Expenses (Excluding depreciation, amortization, and interest)	(37,627,000)	(41,423,000)	(59,090,000)	(62,893,000)
Net Income From Operations	(13,082,000)	1,941,000	(2,075,000)	(2,071,000)
Less Interest Expense	(2,384,000)	(1,664,000)	(2,702,000)	(2,578,000)
Plus Contributions	126,000	155,000	163,000	248,000
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)	0	0	0	0
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization	(15,340,000)	432,000	(4,614,000)	(4,401,000)
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)	\$9,114,000	\$6,749,000	\$12,016,000	\$9,194,000

Description of Secured Debt (as of most recent fiscal year end)

Lender	Outstanding Balance	Interest Rate	Date of Origination	Date of Maturity	Amortization Period
Pvt Investor Bonds 2022A	\$48,125,000	3.04%	05/16/2022	05/15/2047	25 years
Pvt Investor Bonds 2022B	\$35,265,000	2.89%	11/16/2022	11/15/2044	22 years
CHFFA Series 2024A	\$30,000,000	3.85%	05/16/2024	05/15/2028	4 years
CHFFA Series 2024B	\$75,515,000	5-5.25%	05/16/2024	05/15/2059	35 years

Financial Ratios (see last page for ratio formulas)

Financial Ratios [Year]	CCAC Medians 50th Percentile (optional)	2023	2024	2025
Debt to Asset Ratio		29.42%	40.77%	38.26%
Operating Ratio		99.01%	89.59%	89.57%
Debt Service Coverage Ratio		2.94	4.25	3.60
Days Cash On Hand Ratio		650.53	853.21	867.95

Provider Name: Episcopal Communities & Services for Seniors

Historical Monthly Service Fees (Average Fee and Change Percentage)

Residence/Service [Year]	2022	%	2023	%	2024	%	2025	%
Studio	\$6,800	4.0	\$7,164	5.35	\$7,085	5.0	\$7,433	5.0
One Bedroom	5,848	4.0	6,161	5.35	6,030	0.0	6,332	5.0
Cottage/House								
Assisted Living	11,812	4.0	12,757	8.0	13,395	5.0	13,283	3.0
Skilled Living	16,334	4.0	17,641	8.0	n/a			
Special Care	11,903	4.0	11,021	8.0	11,572	5.0	9,737	7.0

Comments from Provider:

- 1) Assisted Living average includes a High Acuity AL unit with a daily billing model.
- 2) ECS FY 2024 numbers reflect a merger of MonteCedro (formerly MonteCedro Inc.) into the corporation.

Financial Ratio Formulas

Long-Term Debt to Total Assets Ratio

$$\frac{\text{Long Term Debt, less Current portion}}{\text{Total Assets}}$$

Operating Ratio

$$\frac{\text{Total Operating Expenses - Depreciation Expense - Amortization Expense}}{\text{Total Operating Revenues - Amortization of Deferred Revenue}}$$

Debt Service Coverage Ratio

$$\frac{\text{Total Excess of Revenues Over Expenses} + \text{Interest, Depreciation, and Amortization Expenses} + \text{Amortization of Deferred Revenue} + \text{Net Proceeds from Entrance Fees}}{\text{Annual Debt Service}}$$

Days Cash On Hand Ratio

$$\frac{\text{Unrestricted Current Cash \& Investments} + \text{Unrestricted Non-Current Cash and Investments}}{(\text{Operating Expenses - Depreciation - Amortization})/365}$$

NOTE: These formulas are also used by the Continuing Care Accreditation Commission. For each formula, that organization also publishes annual median figures for certain continuing care retirement communities.

**CONTINUING CARE RETIREMENT COMMUNITY
DISCLOSURE STATEMENT**

Date Prepared: 10/31/2025

Facility Name: The Covington		
Address: 3 Pursuit, Aliso Viejo	Zip Code: 92626	Phone: (949) 389-8500
Provider Name: Episcopal Communities & Services for Seniors		

Facility Operator: Episcopal Communities & Services for Seniors			
Religious Affiliation: Episcopal			
Year Opened: 2004	# of Acres: 12	Miles to Shopping Center: 2.0	Miles to Hospital: 5.0
☒ Single Story	☒ Multi-Story	☐ Other:	

Number of Units:

Residential Living	Number of Units	Health Care	Number of Units
Apartments – Studio:		Assisted Living:	24
Apartments – 1 Bdrm:	60	Skilled Nursing:	
Apartments – 2 Bdrm:	71	Special Care:	10
Cottages/Houses:	24	Description:	Memory Care

RLU Occupancy (%) at Year End: 94.19%

Type of Ownership:	☒ Not for Profit	Accredited?	☐ Yes By:
	☐ For Profit		☒ No
Form of Contact:	☒ Continuing Care	☐ Life Care	☒ Entrance Fee
(Check all that apply)	☐ Assignment of Assets	☐ Equity	☒ Fee for Service
		☐ Membership	☐ Rental
Refund Provisions:	☒ Refundable	☐ 90%	☐ 50%
(Check all that apply)	☒ Repayable	☐ 75%	☒ Other: 1-80%; 2-36mo

Range of Entrance Fees: \$323,700 - \$1,487,500

Long-Term Care Insurance Required? ☐ Yes ☒ No

Health Care Benefits Included in Contract: none

Entry Requirements: Min Age: 60 Prior Profession: n/a Other: n/a

Resident Representative(s) to, and Resident Members on, the Board:

(briefly describe provider's compliance and residents' roles): There is one Resident

Member and one Resident Representative (non-voting). The Representative attends Board meetings as called and reports to the Resident Council and residents' meetings as appropriate.

All providers are required by Health and Safety Code section 1789.1 to provide this report to prospective residents before executing a deposit agreement or continuing care contract or receiving any payment. Many communities are part of multi-facility operations which may influence financial reporting. Consumers are encouraged to ask questions of the continuing care retirement community that they are considering and to seek advice from professional advisors.

Facility Services and Amenities

Common Area Amenities	Available	Fee for Service	Services Available	Included in Fee	For Extra Charge
Beauty/Barber Shop	☐	☒	Housekeeping (<u>4</u> Times/	☒	☐
Billiard Room	☐	☐	Month at \$_____each)		
Bowling Green	☐	☐	Meals (<u>1</u> /Day)	☒	☐
Card Rooms	☒	☐	Special Diets Available	☒	☐
Chapel	☒	☐			
Coffee Shop	☒	☐	24-Hour Emergency Response	☒	☐
Craft Rooms	☒	☐	Activities Program	☒	☐
Exercise Room	☒	☐	All Utilities Except Phone	☒	☐
Golf Course Access	☐	☐	Apartment Maintenance	☒	☐
Library	☒	☐	Cable TV	☒	☐
Putting Green	☒	☐	Linens Furnished	☒	☐
Shuffleboard	☐	☐	Linens Laundered	☒	☐
Spa	☒	☐	Medication Management	☐	☒
Swimming Pool – Indoor	☒	☐	Nursing/Wellness Clinic	☒	☐
Swimming Pool – Outdoor	☐	☐	Personal Home Care	☐	☒
Tennis Court	☐	☐	Transportation – Personal	☒	☒
Workshop	☒	☐	Transportation – Prearranged	☒	☐
Other: _____	☐	☐	Other: _____	☐	☐

Provider Name: Episcopal Communities & Services for Seniors

Affiliated CCRCs	Location (city, state)	Phone (with area code)
The Canterbury	Rancho Palos Verdes, CA	(310) 541-2410
MonteCedro	Altadena, CA	(626) 788-4900

Multi-Level Retirement Communities	Location (city, state)	Phone (with area code)

Free-Standing Skilled Nursing	Location (city, state)	Phone (with area code)

Subsidized Senior Housing	Location (city, state)	Phone (with area code)

NOTE: Please indicate if the facility is a life care facility.

Provider Name: Episcopal Communities & Services for Seniors

Income and Expenses [Year]	2022	2023	2024	2025
Income from Ongoing Operations				
Operating Income (Excluding amortization of entrance fee income)	\$24,545,000	\$43,364,000	\$57,015,000	\$60,822,000
Less Operating Expenses (Excluding depreciation, amortization, and interest)	(37,627,000)	(41,423,000)	(59,090,000)	(62,893,000)
Net Income From Operations	(13,082,000)	1,941,000	(2,075,000)	(2,071,000)
Less Interest Expense	(2,384,000)	(1,664,000)	(2,702,000)	(2,578,000)
Plus Contributions	126,000	155,000	163,000	248,000
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)	0	0	0	0
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization	(15,340,000)	432,000	(4,614,000)	(4,401,000)
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)	\$9,114,000	\$6,749,000	\$12,016,000	\$9,194,000

Description of Secured Debt (as of most recent fiscal year end)

Lender	Outstanding Balance	Interest Rate	Date of Origination	Date of Maturity	Amortization Period
Pvt Investor Bonds 2022A	\$48,125,000	3.04%	05/16/2022	05/15/2047	25 years
Pvt Investor Bonds 2022B	\$35,265,000	2.89%	11/16/2022	11/15/2044	22 years
CHFFA Series 2024A	\$30,000,000	3.85%	05/16/2024	05/15/2028	4 years
CHFFA Series 2024B	\$75,515,000	5-5.25%	05/16/2024	05/15/2059	35 years

Financial Ratios (see last page for ratio formulas)

Financial Ratios [Year]	CCAC Medians 50th Percentile (optional)	2023	2024	2025
Debt to Asset Ratio		29.42%	40.77%	38.26%
Operating Ratio		99.01%	89.59%	89.57%
Debt Service Coverage Ratio		2.94	4.25	3.60
Days Cash On Hand Ratio		650.53	853.21	867.95

Provider Name: Episcopal Communities & Services for Seniors

Historical Monthly Service Fees (Average Fee and Change Percentage)

Residence/Service [Year]	2022	%	2023	%	2024	%	2025	%
Studio	\$6,715	4.00	\$7,068	5.25	\$7,422	5.00	\$7,793	5.00
One Bedroom	5,116	4.00	5,385	5.25	5,619	5.00	5,900	5.00
Cottage/House	8,065	4.00	8,448	5.25	8,914	5.00	9,359	5.00
Assisted Living	9,067	4.00	9,792	8.00	10,282	5.00	11,525	
Skilled Living	15,880	4.00	16,714	5.25	n/a			7.00
Special Care	8,699	4.00	9,395	8.00	9,865	5.00	11,182	7.00

Comments from Provider:

ECS FY 2024 numbers reflect a merger of MonteCedro (formerly MonteCedro Inc.) into the corporation.

Financial Ratio Formulas

Long-Term Debt to Total Assets Ratio

$$\frac{\text{Long Term Debt, less Current portion}}{\text{Total Assets}}$$

Operating Ratio

$$\frac{\text{Total Operating Expenses - Depreciation Expense - Amortization Expense}}{\text{Total Operating Revenues - Amortization of Deferred Revenue}}$$

Debt Service Coverage Ratio

$$\frac{\text{Total Excess of Revenues Over Expenses} + \text{Interest, Depreciation, and Amortization Expenses} + \text{Amortization of Deferred Revenue} + \text{Net Proceeds from Entrance Fees}}{\text{Annual Debt Service}}$$

Days Cash On Hand Ratio

$$\frac{\text{Unrestricted Current Cash \& Investments} + \text{Unrestricted Non-Current Cash and Investments}}{(\text{Operating Expenses - Depreciation - Amortization})/365}$$

NOTE: These formulas are also used by the Continuing Care Accreditation Commission. For each formula, that organization also publishes annual median figures for certain continuing care retirement communities.

FORM 7-1 REPORT ON CCRC MONTHLY CARE FEES

Complete **Form 7-1** to report the monthly care fee increase (MCFI) for **each** community operated by the Provider. If no adjustments were made during the reporting period for a community, indicate by checking the box below **Line [2]**. Providers must complete a separate Form 7-1 for each of their continuing care retirement communities.

1. On **Line 1**, enter the amount of monthly care fees for each level of care at the *beginning* of the reporting period.
2. On **Line 2**, indicate the percentage(s) of increase in fees implemented during the *reporting* period.
3. On **Line 3**, indicate the date the fee increase was implemented. If more than one (1) increase was implemented, indicate the date(s) for each increase.
4. Check *each* of the appropriate boxes.
5. Provide a detailed explanation for the increase in monthly care fees including the total dollar amount for the community overall and corresponding percentage increase for each level of care in compliance with the Health and Safety Code. The explanation shall set forth the reasons, by department cost centers, for any increase in monthly care fee. It must include if the change in monthly care fees is due to any actual or projected costs related to any other CCRC community or enterprise affiliated with the provider or parent company.

The methodology used to budget future costs should align with one or more of the following factors: “projected costs, prior year per capita costs and economic indicators.” Describe the methodology used for single or multiple communities. If there are multiple MCFI percentages, i.e., by level of care, a separate explanation for each MCFI will be required.

Also, if there is a positive result of operations, the provider will need to explain how the funds will be used and/or distributed consistent with disclosures made in the applicable sections of the Continuing Care Contract.

This attachment should include the data used in the Monthly Care Fee Increase meeting presentation provided to residents, which will also include actual results and an explanation of any variances.

NOTE: Providers shall retain all documents related to the development of adjusted fees at their respective communities for a period of at least three years, i.e., budgets, statements of operations, cost reports, used near the end of the prior fiscal year to develop adjustments implemented in the current reporting period. These documents must be available for review upon request by the Department.

FORM 7-1**REPORT ON CCRC MONTHLY CARE FEES**

	RESIDENTIAL LIVING	ASSISTED LIVING	MEMORY CARE	SKILLED NURSING
1. Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)	<u>\$6,332-8,049</u>	<u>4,000-18,585</u>	<u>9,095-11,021</u>	<u>n/a</u>
2. Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	<u>5%</u>	<u>7%</u>	<u>7%</u>	<u></u>
☐ Check here if monthly care fees at this community were <u>not</u> increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)				
3. Indicate the date the fee increase was implemented: <u>07/01/2024</u> (If more than one (1) increase was implemented, indicate the dates for each increase.)				
4. Check each of the appropriate boxes: ☒ Each fee increase is based on the Provider's projected costs, prior year per capita costs, and economic indicators. ☒ All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. Date of Notice: <u>06/01/2024</u> Method of Notice: <u>printed and/or emailed</u> ☒ At least 30 days prior to the increase in fees, the designated representative of the Provider convened a meeting that all residents were invited to attend. Date of Meeting: <u>05/22/2024</u> ☒ At the meeting with residents, the Provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase. ☒ The Provider distributed the documents to all residents by [Optional - check all that apply]: ☐ Emailed the documents to those residents for whom the provider had email addresses on file ☐ Placed hard copies in resident cubby ☐ Placed hard copies at designated locations ☐ Provided hard copies to residents upon request, and/or ☐ Other: [please describe] _____ ☒ Date of Notice: <u>05/08/2024</u>				

- ☒ The Provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.
Date of Notice: 05/08/2024

- ☒ The governing body of the Provider, or the designated representative of the Provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting.

Date of Posting: 05/08/2024 **Location of Posting:** Electronic Messaging Screens/Kiosks

- ☒ Providers evaluated the effectiveness of consultations during the annual budget planning process at a minimum of every two years by the continuing care retirement community administration. The evaluation, including any policies adopted relating to cooperation with residents was made available to the resident association or its governing body, or, if neither exists, to a committee of residents at least 14 days prior to the next semiannual meeting of residents and the Provider's governing body and posted a copy of that evaluation in a conspicuous location at each facility.

Date of Posting: 05/17/2023 **Location of Posting:** Library/Resident Mailboxes

5. On an attached page, provide a detailed explanation for the increase in monthly care fees including the amount of the increase and compliance with the Health and Safety Code.

PROVIDER: Episcopal Communities & Services for Senior **COMMUNITY:** The Canterbury

Form 7-1 Narrative

The increase in monthly service fees was based on a combination of factors, these included projected increases in cost of purchased goods/supplies, insurance premiums (both employee benefits and corporate), and competitive increases in the minimum wage necessary to maintain adequate staffing levels. Projected occupancy levels were used to budget variable costs.

Final budgets and effects on cash flow (consolidated with The Covington and MonteCedro) were also tested to ensure compliance with bond covenant ratios.

At The Canterbury, these combined factors to require an increase of 5% at the Residential Living and 7% at all other levels of care to monthly service fees charged.

Attached are the financial documents distributed to the residents at the May Semi-Annual meeting which detail projected and budgeted information for the facility and bond obligated group.

Form 7-1 Attachment
Monthly Care Fee Increase (MCFI)
Annual Reporting Fiscal Year 2025
The Canterbury

		Dollar Amounts in Thousands		
Line	Fiscal Years	2023	2024	2025
1	FY 2023 Operating Expenses	\$ (17,076)		
2	FY 2024 Operating Expenses (Adjustments, if any, Explained Below)		\$ (17,863)	
3	Projected FY 2025 Results of Operations (Adjustments Explained Below)			\$ (17,980)
4	FY 2025 Anticipated MCFI Revenue Based on Current and Projected Occupancy and Other without a MCFI			\$ 17,131
5	Projected FY 2025 (Net) Operating Results without a MCFI (Line 3 plus Line 4)			\$ (849)
6	Projected FY 2025 Anticipated Revenue Based on Current and Projected Occupancy and Other with MCFI 5% - 7%			\$ 17,893
7	Grand Total - Projected FY 2025 Net Operating Activity After 5% - 7% MCFI (Line 3 plus Line 6)			\$ (87)

Monthly Care Fee Increase: 5% - 7%

Adjustments Explained:

FY 2023 to FY 2024

Operating Expenses reflect direct department expenses plus interest expense

FY 2024 to FY 2025

Labor Costs are approximately 71% of budget and are comprised of staffing for occupancy projections, competitive wage increases and increases in employee benefit costs.

Increases in non-labor costs are determined primarily by information received directly from vendors/contractors.

MCFI is 5% for Residential Living, 7% for Assisted Living & Memory Care

Budget projections must comply with bond covenants (combined with The Covington and MonteCedro) as measured by financial ratios.

Positive results of operations are used for capital improvements and campus master planning projects.



THE CANTERBURY

BalanceSheet As of Mar 31, 2024

	Current Year	Prior Year	Variance	
			\$	%
Current Assets				
Cash and cash equivalents	926,890	154,762	772,128	499%
Investments, short-term	7,590,349	3,319,118	4,271,231	129%
Accounts receivable, net	561,567	353,469	208,098	59%
Other receivables	6,869	13,211	(6,342)	-48%
Inventories	72,232	113,779	(41,547)	-37%
Prepaid expenses & other current assets	187,815	218,338	(30,523)	-14%
Current portion of notes receivable	1,805,750	562,500	1,243,250	221%
Assets limited as to use, required for current liabilities	2,300,608	134	2,300,473	1713574%
Due (to) from related parties	(10,556)	(20,217)	9,661	48%
Total Current Assets	13,441,523	4,715,093	8,726,430	185%
Property and Equipment, Net	24,719,581	22,046,032	2,673,549	12%
Other Assets				
Investment, long-term	29,671,926	35,576,644	(5,904,718)	-17%
Notes receivable, long-term	232,078	232,078	-	0%
Assets limited as to use, net of current portion	10,767,906	56,070	10,711,836	19104%
Deferred charges and other assets	292,182	68,527	223,655	326%
Interest in related parties' net assets	1,702,253	1,530,895	171,358	11%
Total Other Assets	42,666,345	37,464,214	5,202,131	14%
Total Assets	80,827,450	64,225,339	16,602,111	26%



THE CANTERBURY

BalanceSheet As of Mar 31, 2024

	Variance			
	Current Year	Prior Year	\$	%
Current Liabilities				
Accounts payable and accrued expenses	1,021,665	606,490	415,176	68%
Accrued compensation, payroll taxes, and benefits	505,114	454,247	50,867	11%
Interest payable	206,109	55,545	150,564	271%
Other current liabilities	373,246	425,283	(52,037)	-12%
Current portion of long-term debt	100,493	103,154	(2,660)	-3%
Total Current Liabilities	2,206,628	1,644,719	561,909	34%
Other Liabilities				
Deposits from residents	115,141	142,556	(27,415)	-19%
Liability for refundable and repayable entrance fees	28,950,376	32,195,065	(3,244,689)	-10%
Deferred revenue from entrance fees	3,444,949	3,885,438	(440,490)	-11%
Long-term debt, net of current maturities	21,506,172	3,658,326	17,847,845	488%
Total Other Liabilities	54,016,638	39,881,386	14,135,252	35%
Total Liabilities	56,223,266	41,526,105	14,697,161	35%
Net Assets				
Fund Balance	27,078,087	26,569,995	508,092	2%
Net Asset Transfer	(6,604,537)	(6,731,395)	126,858	2%
Interest in Entity	2,394,665	2,315,623	79,041	3%
Net Income	1,735,969	545,011	1,190,958	219%
Total Net Assets	24,604,184	22,699,235	1,904,949	8%
Total Liabilities and Net Assets	80,827,450	64,225,339	16,602,111	26%



THE CANTERBURY

Income Statement
For the Nine Months Ended Mar 31, 2024

	Current Month				Current Year		Prior Year	Variance to Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	Actual	\$	%
Operating Revenue									
Independent Living	742,522	719,480	23,042	3%	6,379,097	6,410,074	5,750,680	(30,977)	0%
Assisted Living	435,433	483,426	(47,993)	-10%	4,192,624	4,186,443	2,447,463	6,180	0%
Skilled Nursing	-	-	-	0%	-	-	1,446,455	-	0%
Total Operating Revenue	1,177,956	1,202,906	(24,951)	-2%	10,571,721	10,596,517	9,644,598	(24,796)	0%
Operating Expenses									
Nursing Services	328,875	316,417	12,457	4%	2,715,008	2,799,260	3,076,729	(84,253)	-3%
Residential Services	68,025	76,090	(8,065)	-11%	661,117	677,302	528,226	(16,184)	-2%
Environmental Services	157,754	172,275	(14,521)	-8%	1,468,289	1,531,191	1,388,671	(62,902)	-4%
Utilities	50,071	54,306	(4,235)	-8%	477,824	488,706	458,167	(10,882)	-2%
Dining Services	275,824	260,595	15,229	6%	2,338,222	2,325,144	2,104,322	13,078	1%
Marketing	98,319	67,163	31,156	46%	742,093	597,545	598,697	144,547	24%
Administrative	108,742	110,021	(1,279)	-1%	953,517	978,554	929,441	(25,037)	-3%
Shared Services	187,173	162,213	24,960	15%	1,441,498	1,455,140	1,375,208	(13,642)	-1%
Property & Liability Insurance	27,830	25,642	2,189	9%	246,575	230,775	207,634	15,800	7%
Total Operating Expenses	1,302,613	1,244,723	57,889	5%	11,044,142	11,083,617	10,667,095	(39,475)	0%
Net Operating Income (Loss) before Companion Care	(124,657)	(41,817)	(82,840)	198%	(472,421)	(487,100)	(1,022,497)	14,679	3%
Companion Care									
Revenue	225,103	203,727	21,375	10%	1,999,478	1,781,033	1,618,373	218,445	12%
Expense	(249,454)	(175,802)	-	0%	(1,915,904)	(1,554,177)	(1,370,123)	361,727	23%
Companion Care, net	(24,351)	27,925	(52,276)	-187%	83,574	226,856	248,250	(143,282)	-63%
Net Operating Income (Loss)	(149,008)	(13,892)	(82,840)	596%	(388,847)	(260,244)	(774,247)	(128,603)	-49%
Net Operating Margin	-13%	-1%			-4%	-2%	-8%		



THE CANTERBURY

Income Statement
For the Nine Months Ended Mar 31, 2024

	Current Month				Current Year		Prior Year	Variance to Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	Actual	\$	%
Non Operating Revenue									
Gain (Loss) on sale/disposal of assets	(33,076)	-	(33,076)	0%	(43,032)	-	(52,636)	(43,032)	0%
Contribution income	100	-	100	0%	2,375	-	9,674	2,375	0%
Miscellaneous income, net	167	(25,000)	25,167	-101%	25,978	(225,000)	69,681	250,978	112%
Amortization of entrance fees	49,306	89,885	(40,579)	-45%	888,492	808,965	801,073	79,526	10%
Change in interest in net assets of related parties	46,391	-	46,391	0%	209,122	-	116,805	209,122	0%
Total Non Operating Revenue	62,889	64,885	(1,996)	-3%	1,082,935	583,965	944,598	498,969	85%
Non Operating Expenses									
Depreciation & amortization expense	235,645	218,377	17,268	8%	2,049,313	1,965,394	1,889,803	83,918	4%
Interest	9,433	8,588	846	10%	87,228	77,291	99,301	9,937	13%
Exceptional Expenses	-	-	-	0%	-	-	164,199	-	0%
Total Non Operating Expenses	245,079	226,965	18,114	8%	2,136,541	2,042,686	2,153,303	93,855	5%
Adjusted Net Income (Loss)	(331,199)	(175,972)	(102,950)	59%	(1,442,453)	(1,718,964)	(1,982,952)	276,511	16%
Investment Return									
Dividends & interest (net)	116,072	64,826	51,246	79%	884,704	583,436	890,807	301,267	52%
Unrealized gains (losses)	607,680	32,413	575,266	1775%	2,177,620	291,719	1,240,680	1,885,902	646%
Realized gains (losses)	25,551	97,239	(71,689)	-74%	116,098	875,155	396,477	(759,056)	-87%
Total Investment Return (Net Fees)	749,302	194,479	503,578	259%	3,178,422	1,750,310	2,527,964	1,428,113	82%
Total Income (Loss)	418,104	18,507	399,597	2159%	1,735,969	31,346	545,011	1,704,624	5438%

Budget Income Statement

03 (The Canterbury), All Departments



	Budget FY2025	Projected FY2024	Budget FY2024	\$ Var Projected	% Var Projected	\$ Var Prior Budget	% Var Prior Budget
OPERATING REVENUE							
Independent Living	8,945,579	8,492,813	8,575,040	452,766	5%	370,538	4%
Assisted Living	6,119,883	5,601,570	5,653,313	518,312	9%	466,570	8%
Total Operating Revenue	15,065,461	14,094,383	14,228,353	971,078	7%	837,108	6%
Operating Expenses							
Nursing Services	4,056,577	3,609,808	3,728,757	446,769	12%	327,820	9%
Residential Services	891,345	883,527	902,638	7,818	1%	(11,293)	-1%
Environmental Services	2,042,161	1,959,740	2,032,362	82,421	4%	9,799	0%
Utilities	673,691	638,232	651,624	35,459	6%	22,067	3%
Dining Services	3,303,667	3,124,888	3,098,844	178,779	6%	204,823	7%
Marketing	914,891	983,508	794,781	(68,616)	-7%	120,110	15%
Administrative	1,224,433	1,270,308	1,297,239	(45,874)	-4%	(72,806)	-6%
Shared Services	2,014,741	1,911,870	1,935,491	102,871	5%	79,250	4%
Property & Liability Insurance	377,334	328,604	307,700	48,731	15%	69,635	23%
Total Operating Expenses	15,498,841	14,710,483	14,749,436	788,357	5%	749,404	5%
Net Operating Income (Loss) before Companion Car	(433,380)	(616,100)	(521,083)	182,721	30%	87,703	17%
Companion Care							
Revenue	2,827,747	2,662,691	2,381,004	165,056	6%	446,743	19%
Expense	(2,367,965)	(2,540,823)	(2,070,367)	(172,858)	-7%	297,598	14%
Companion Care, net	459,782	121,868	310,637	337,914	277%	149,145	48%
Net Operating Income (Loss)	26,403	(494,232)	(210,446)	520,634	105%	236,849	113%
Net Operating Margin	0%	-4%	-1%	4%	105%	2%	112%

Budget Income Statement

03 (The Canterbury), All Departments



	Budget FY2025	Projected FY2024	Budget FY2024	\$ Var Projected	% Var Projected	\$ Var Prior Budget	% Var Prior Budget
Non Operating Revenue							
Gain (Loss) on sale/disposal of assets	-	(46,766)	-	46,766	100%	-	0%
Contribution income	2,175	3,228	-	(1,053)	-33%	2,175	0%
Miscellaneous income, net	-	35,658	(300,000)	(35,658)	-100%	300,000	100%
Amortization of entrance fees	1,462,452	1,203,186	1,078,620	259,266	22%	383,831	36%
Change in interest in net assets of related parties	-	270,146	-	(270,146)	-100%	-	0%
Total Non Operating Revenue	1,464,627	1,465,452	778,620	(825)	0%	686,006	88%
Non Operating Expenses							
Depreciation & amortization expense	2,599,640	2,729,438	2,620,526	(129,798)	-5%	(20,886)	-1%
Interest	113,467	116,401	103,055	(2,934)	-3%	10,412	10%
Total Non Operating Expenses	2,713,107	2,845,839	2,723,581	(132,732)	-5%	(10,474)	0%
Adjusted Net Income/Loss	(1,681,859)	(1,996,487)	(2,466,043)	314,628	16%	784,184	32%
Investment Return							
Dividends & interest (net)	909,000	1,172,940	777,915	(263,940)	-23%	131,085	17%
Unrealized gains (losses)	1,193,000	2,766,348	388,958	(1,573,348)	-57%	804,042	207%
Realized gains (losses)	239,000	150,054	1,166,873	88,946	59%	(927,873)	-80%
Total Investment Return (Net Fees)	2,341,000	4,089,342	2,333,746	(1,748,342)	-43%	7,254	0%
Total Income (Loss)	1,118,923	2,214,723	178,340	(1,095,800)	-49%	940,583	527%



ECS Obligated Group

BalanceSheet
As of Mar 31, 2024

	Variance			
	Current Year	Prior Year	\$	%
Current Assets				
Cash and cash equivalents	5,181,901	6,972,740	(1,790,839)	-26%
Investments, short-term	25,132,411	17,883,530	7,248,880	41%
Accounts receivable, net	1,083,167	1,481,409	(398,243)	-27%
Other receivables	59,447	36,272	23,175	64%
Inventories	228,278	271,017	(42,740)	-16%
Prepaid expenses & other current assets	787,630	741,837	45,792	6%
Current portion of notes receivable	3,041,181	3,254,745	(213,564)	-7%
Assets limited as to use, required for current liabilities	16,226,523	1,842	16,224,681	880981%
Due (to) from related parties	(34,007)	(57,708)	23,700	41%
Total Current Assets	51,706,529	30,585,685	21,120,845	69%
Property and Equipment, Net	217,788,638	211,317,616	6,471,022	3%
Other Assets				
Investment, long-term	106,170,518	96,632,815	9,537,703	10%
Notes receivable, long-term	587,000	587,000	-	0%
Assets limited as to use, net of current portion	81,566,852	4,061,465	77,505,386	1908%
Deferred charges and other assets	1,606,627	660,019	946,609	143%
Interest in related parties' net assets	2,560,743	2,707,468	(146,725)	-5%
Total Other Assets	192,491,739	104,648,766	87,842,972	84%
Total Assets	461,986,906	346,552,067	115,434,839	33%



ECS Obligated Group

Balance Sheet
As of Mar 31, 2024

	Variance			
	Current Year	Prior Year	\$	%
Current Liabilities				
Accounts payable and accrued expenses	3,434,089	2,130,953	1,303,136	61%
Accrued compensation, payroll taxes, and benefits	1,606,154	1,437,928	168,226	12%
Interest payable	1,915,801	1,109,552	806,250	73%
Other current liabilities	1,134,841	1,204,547	(69,706)	-6%
Deferred revenue	170,099	202,287	(32,188)	-16%
Current portion of long-term debt	2,710,640	2,660,000	50,640	2%
Total Current Liabilities	10,971,624	8,745,266	2,226,358	25%
Other Liabilities				
Note payable to related party	-	285,780	(285,780)	-100%
Deposits from residents	6,130,591	3,933,573	2,197,018	56%
Liability for refundable and repayable entrance fees	237,369,437	238,112,604	(743,168)	0%
Deferred revenue from entrance fees	28,875,771	24,766,873	4,108,899	17%
Long-term debt, net of current maturities	192,316,686	86,618,155	105,698,532	122%
Total Other Liabilities	464,692,485	353,716,984	110,975,500	31%
Total Liabilities	475,664,109	362,462,251	113,201,858	31%
Net Assets				
Fund Balance	(60,699,309)	(58,940,752)	(1,758,556)	-3%
Net Asset Transfer	40,265,738	39,696,639	569,099	1%
Interest in Entity	4,232,818	4,505,476	(272,658)	-6%
Net Income	2,523,550	(1,171,546)	3,695,096	315%
Total Net Assets	(13,677,203)	(15,910,184)	2,232,981	14%
Total Liabilities and Net Assets	461,986,906	346,552,067	115,434,839	33%



ECS Obligated Group

Income Statement
For the Nine Months Ended Mar 31, 2024

	Current Month				Current Year		Prior Year	Variance to Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	Actual	\$	%
Operating Revenue									
Independent Living	3,096,189	3,134,004	(37,815)	-1%	27,709,576	27,984,607	25,953,245	(275,031)	-1%
Assisted Living	964,716	1,039,251	(74,535)	-7%	9,000,390	9,039,477	7,049,101	(39,086)	0%
Skilled Nursing	-	-	-	0%	-	-	3,930,660	-	0%
Total Operating Revenue	4,060,905	4,173,255	(112,350)	-3%	36,709,966	37,024,083	36,933,007	(314,117)	-1%
Operating Expenses									
Nursing Services	806,138	840,476	(34,338)	-4%	7,150,379	7,431,682	9,571,936	(281,304)	-4%
Residential Services	290,904	273,304	17,600	6%	2,616,952	2,484,167	2,254,766	132,785	5%
Environmental Services	546,887	598,380	(51,493)	-9%	5,264,343	5,329,816	5,051,141	(65,473)	-1%
Utilities	225,999	249,584	(23,584)	-9%	2,107,128	2,246,196	2,138,494	(139,069)	-6%
Dining Services	888,602	919,276	(30,674)	-3%	8,271,026	8,213,810	7,770,126	57,216	1%
Marketing	265,910	266,151	(241)	0%	2,309,124	2,119,628	2,149,167	189,497	9%
Administrative	352,822	404,465	(51,643)	-13%	3,606,425	3,637,037	3,363,293	(30,613)	-1%
Shared Services	567,843	521,680	46,163	9%	4,463,369	4,679,589	4,448,489	(216,221)	-5%
Property & Liability Insurance	128,232	123,365	4,867	4%	1,212,351	1,110,287	981,274	102,064	9%
Total Operating Expenses	4,073,338	4,196,681	(123,343)	-3%	37,001,096	37,252,213	37,728,687	(251,117)	-1%
Companion Care									
Revenue	575,007	662,005	(86,998)	-13%	5,943,827	5,799,106	5,049,941	144,721	2%
Expense	(637,925)	(619,759)	-	0%	(5,656,930)	(5,480,062)	(4,657,544)	176,868	3%
Companion Care, net	(62,918)	42,246	(105,163)	-249%	286,897	319,044	392,397	(32,147)	-10%
Net Operating Income (Loss)	(75,351)	18,820	10,993	58%	(4,233)	90,914	(403,283)	(95,147)	-105%
Net Operating Margin	-2%	0%			0%	0%	-1%		



ECS Obligated Group

Income Statement
For the Nine Months Ended Mar 31, 2024

	Current Month				Current Year		Prior Year	Variance to Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	Actual	\$	%
Non Operating Revenue									
Gain (Loss) on sale/disposal of assets	(34,598)	-	(34,598)	0%	(132,027)	-	(318,665)	(132,027)	0%
Gain (Loss) on bond refinancing/conversion	-	-	-	0%	-	-	556,610	-	0%
Contribution income	1,135	-	1,135	0%	148,965	-	175,377	148,965	0%
Miscellaneous income, net	(55,918)	(83,333)	27,415	-33%	(15,428)	(750,000)	(31,337)	734,572	98%
Amortization of entrance fees	387,315	433,649	(46,334)	-11%	4,609,696	3,902,843	3,641,981	706,853	18%
Total Non Operating Revenue	364,850	350,316	14,534	4%	4,928,989	3,152,843	4,215,817	1,776,146	56%
Non Operating Expenses									
Depreciation & amortization expense	1,204,279	1,146,965	57,314	5%	10,578,836	10,322,681	9,929,111	256,155	2%
Interest	229,422	197,836	31,586	16%	2,022,367	1,780,524	2,472,557	241,843	14%
Marketing - Expansion	28,975	19,602		0%	119,307	176,414	176,919	(57,107)	-32%
Exceptional Expenses	74,163	-		0%	74,163	-	527,133	74,163	0%
Total Non Operating Expenses	1,536,838	1,364,402	172,436	13%	12,794,674	12,279,619	13,105,720	515,054	4%
Adjusted Net Income (Loss)	(1,247,339)	(995,266)	(146,909)	15%	(7,869,918)	(9,035,862)	(9,293,187)	1,165,944	13%
Investment Return									
Dividends & interest (net)	420,145	190,861	229,284	120%	3,027,342	1,717,745	2,501,383	1,309,597	76%
Unrealized gains (losses)	1,915,405	95,430	1,819,974	1907%	6,819,288	858,874	4,480,396	5,960,414	694%
Realized gains (losses)	82,752	286,291	(203,539)	-71%	546,838	2,576,617	1,139,862	(2,029,779)	-79%
Total Investment Return (Net Fees)	2,418,301	572,582	1,616,435	282%	10,393,468	5,153,236	8,121,641	5,240,232	102%
Total Income (Loss)	1,170,962	(422,685)	1,593,647	-377%	2,523,550	(3,882,626)	(1,171,546)	6,406,176	165%

Budget Income Statement

ECS Obligated Group, All Departments



	Budget FY2025	Projected FY2024	Budget FY2024	\$ Var Projected	% Var Projected	\$ Var Prior Budget	% Var Prior Budget
OPERATING REVENUE							
Independent Living	39,388,446	36,939,596	37,415,028	2,448,850	7%	1,973,418	5%
Assisted Living	12,841,006	12,013,768	12,164,226	827,237	7%	676,779	6%
Total Operating Revenue	52,229,452	48,953,364	49,579,254	3,276,087	7%	2,650,198	5%
Operating Expenses							
Nursing Services	10,179,145	9,529,469	9,905,687	649,676	7%	273,458	3%
Residential Services	3,565,331	3,489,220	3,302,428	76,111	2%	262,903	8%
Environmental Services	7,301,700	7,033,390	7,079,781	268,311	4%	221,920	3%
Utilities	2,957,450	2,812,551	2,994,947	144,899	5%	(37,497)	-1%
Dining Services	11,686,330	11,052,702	10,940,882	633,628	6%	745,448	7%
Marketing	2,993,700	3,076,564	2,852,896	(82,864)	-3%	140,805	5%
Administrative	4,841,620	4,826,527	4,840,347	15,094	0%	1,273	0%
Shared Services	6,474,010	5,924,191	6,224,392	549,819	9%	249,618	4%
Property & Liability Insurance	1,870,106	1,618,896	1,480,383	251,210	16%	389,723	26%
Total Operating Expenses	51,869,393	49,363,508	49,621,743	2,505,885	5%	2,247,650	5%
Net Operating Income (Loss) before Companion Car	360,059	(410,144)	(42,489)	770,202	188%	402,547	947%
Companion Care							
Revenue	8,705,170	7,954,956	7,748,931	750,213	9%	956,239	12%
Expense	(7,948,455)	(7,539,057)	(7,300,104)	409,397	5%	648,351	9%
Companion Care, net	756,715	415,899	448,827	340,816	82%	307,888	69%
Net Operating Income (Loss)	1,116,773	5,755	406,338	1,111,018	19304%	710,435	175%
Net Operating Margin	2%	0%	1%	2%	18087%	1%	161%

Budget Income Statement

ECS Obligated Group, All Departments



	Budget FY2025	Projected FY2024	Budget FY2024	\$ Var Projected	% Var Projected	\$ Var Prior Budget	% Var Prior Budget
Non Operating Revenue							
Gain (Loss) on sale/disposal of assets	-	(168,563)	-	168,563	100%	-	0%
Contribution income	147,730	204,401	-	(56,671)	-28%	147,730	0%
Miscellaneous income, net	(200,000)	(245)	(1,000,000)	(199,755)	-81683%	800,000	80%
Amortization of entrance fees	7,738,226	6,193,089	5,203,791	1,545,138	25%	2,534,436	49%
Change in interest in net assets of related parties	-	411,858	-	(411,858)	-100%	-	0%
Total Non Operating Revenue	7,685,956	6,640,541	4,203,791	1,045,415	16%	3,482,166	83%
Non Operating Expenses							
Depreciation & amortization expense	13,127,556	14,094,295	13,763,575	(966,739)	-7%	(636,019)	-5%
Interest	2,604,203	2,694,722	2,374,032	(90,520)	-3%	230,171	10%
Marketing - Expansion	109,697	153,182	235,219	(43,484)	-28%	(125,522)	-53%
Exceptional Expenses	-	74,163	-				
Total Non Operating Expenses	15,841,456	17,016,362	16,372,826	(1,174,906)	-7%	(531,370)	-3%
Adjusted Net Income/Loss	(7,795,441)	(10,785,964)	(12,211,524)	2,990,524	28%	4,416,083	36%
Investment Return							
Dividends & interest (net)	3,178,000	4,005,041	2,290,327	(827,041)	-21%	887,673	39%
Unrealized gains (losses)	4,173,000	8,658,244	1,145,165	(4,485,244)	-52%	3,027,835	264%
Realized gains (losses)	835,000	720,871	3,435,490	114,129	16%	(2,600,490)	-76%
Total Investment Return (Net Fees)	8,186,000	13,384,156	6,870,982	(5,198,156)	-39%	1,315,018	19%
Total Income (Loss)	1,147,274	3,014,091	(4,891,715)	(1,866,816)	-62%	6,038,989	123%

FORM 7-1 REPORT ON CCRC MONTHLY CARE FEES

Complete **Form 7-1** to report the monthly care fee increase (MCFI) for **each** community operated by the Provider. If no adjustments were made during the reporting period for a community, indicate by checking the box below **Line [2]**. Providers must complete a separate Form 7-1 for each of their continuing care retirement communities.

1. On **Line 1**, enter the amount of monthly care fees for each level of care at the *beginning* of the reporting period.
2. On **Line 2**, indicate the percentage(s) of increase in fees implemented during the *reporting* period.
3. On **Line 3**, indicate the date the fee increase was implemented. If more than one (1) increase was implemented, indicate the date(s) for each increase.
4. Check *each* of the appropriate boxes.
5. Provide a detailed explanation for the increase in monthly care fees including the total dollar amount for the community overall and corresponding percentage increase for each level of care in compliance with the Health and Safety Code. The explanation shall set forth the reasons, by department cost centers, for any increase in monthly care fee. It must include if the change in monthly care fees is due to any actual or projected costs related to any other CCRC community or enterprise affiliated with the provider or parent company.

The methodology used to budget future costs should align with one or more of the following factors: “projected costs, prior year per capita costs and economic indicators.” Describe the methodology used for single or multiple communities. If there are multiple MCFI percentages, i.e., by level of care, a separate explanation for each MCFI will be required.

Also, if there is a positive result of operations, the provider will need to explain how the funds will be used and/or distributed consistent with disclosures made in the applicable sections of the Continuing Care Contract.

This attachment should include the data used in the Monthly Care Fee Increase meeting presentation provided to residents, which will also include actual results and an explanation of any variances.

NOTE: Providers shall retain all documents related to the development of adjusted fees at their respective communities for a period of at least three years, i.e., budgets, statements of operations, cost reports, used near the end of the prior fiscal year to develop adjustments implemented in the current reporting period. These documents must be available for review upon request by the Department.

FORM 7-1**REPORT ON CCRC MONTHLY CARE FEES**

	RESIDENTIAL LIVING	ASSISTED LIVING	MEMORY CARE	SKILLED NURSING
1. Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)	<u>\$5,334-10,122</u>	<u>8,270-11,389</u>	<u>10,287</u>	<u>n/a</u>
2. Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	<u>5%</u>	<u>7%</u>	<u>7%</u>	
☐ Check here if monthly care fees at this community were <u>not</u> increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)				
3. Indicate the date the fee increase was implemented: <u>07/01/2024</u> (If more than one (1) increase was implemented, indicate the dates for each increase.)				
4. Check each of the appropriate boxes: ☒ Each fee increase is based on the Provider's projected costs, prior year per capita costs, and economic indicators. ☒ All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. Date of Notice: <u>06/01/2024</u> Method of Notice: <u>printed and/or emailed</u> ☒ At least 30 days prior to the increase in fees, the designated representative of the Provider convened a meeting that all residents were invited to attend. Date of Meeting: <u>05/23/2024</u> ☒ At the meeting with residents, the Provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase. ☒ The Provider distributed the documents to all residents by [Optional - check all that apply]: ☐ Emailed the documents to those residents for whom the provider had email addresses on file ☐ Placed hard copies in resident cubby ☐ Placed hard copies at designated locations ☐ Provided hard copies to residents upon request, and/or ☐ Other: [please describe] _____ ☒ Date of Notice: <u>05/09/2024</u>				

- ☒ The Provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.

Date of Notice: 05/09/2024

- ☒ The governing body of the Provider, or the designated representative of the Provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting.

Date of Posting: 05/09/2024 **Location of Posting:** Electronic Messaging Screens/Kiosks

- ☒ Providers evaluated the effectiveness of consultations during the annual budget planning process at a minimum of every two years by the continuing care retirement community administration. The evaluation, including any policies adopted relating to cooperation with residents was made available to the resident association or its governing body, or, if neither exists, to a committee of residents at least 14 days prior to the next semiannual meeting of residents and the Provider's governing body and posted a copy of that evaluation in a conspicuous location at each facility.

Date of Posting: 05/09/2024 **Location of Posting:** Library/Resident Mailboxes

5. On an attached page, provide a detailed explanation for the increase in monthly care fees including the amount of the increase and compliance with the Health and Safety Code.

PROVIDER: Episcopal Communities & Services for Senior **COMMUNITY:** The Covington

Form 7-1 Attachment
Monthly Care Fee Increase (MCFI)
Annual Reporting Fiscal Year 2025
The Covington

		Dollar Amounts in Thousands		
Line	Fiscal Years	2023	2024	2025
1	FY 2023 Operating Expenses	\$ (25,544)		
2	FY 2024 Operating Expenses (Adjustments, if any, Explained Below)		\$ (23,305)	
3	Projected FY 2025 Results of Operations (Adjustments Explained Below)			\$ (23,133)
4	FY 2025 Anticipated MCFI Revenue Based on Current and Projected Occupancy and Other without a MCFI			\$ 19,601
5	Projected FY 2025 (Net) Operating Results without a MCFI (Line 3 plus Line 4)			\$ (3,532)
6	Projected FY 2025 Anticipated Revenue Based on Current and Projected Occupancy and Other with MCFI 5% - 7%			\$ 20,415
7	Grand Total - Projected FY 2025 Net Operating Activity After 5% - 7% MCFI (Line 3 plus Line 6)			\$ (2,718)

Monthly Care Fee Increase: 5% - 7%

Adjustments Explained:

FY 2023 to FY 2024

Operating Expenses reflect direct department expenses plus interest expense

FY 2024 to FY 2025

Labor Costs are approximately 64% of budget and are comprised of staffing for occupancy projections, competitive wage increases and increases in employee benefit costs.

Increases in non-labor costs are determined primarily by information received directly from vendors/contractors.

MCFI is 5% for Residential Living, 7% for Assisted Living & Memory Care

Budget projections must comply with bond covenants (combined with The Canterbury and MonteCedro) as measured by financial ratios.

Positive results of operations are used for capital improvements and campus master planning projects.

Form 7-1 Narrative

The increase in monthly service fees was based on a combination of factors, these included projected increases in cost of purchased goods/supplies, insurance premiums (both employee benefits and corporate), and competitive increases in the minimum wage necessary to maintain adequate staffing levels. Projected occupancy levels were used to budget variable costs.

Final budgets and effects on cash flow (consolidated with The Canterbury and MonteCedro) were also tested to ensure compliance with bond covenant ratios.

At The Covington, these combined factors to require an increase of 5% at the Residential Living and 7% at all other levels of care to monthly service fees charged.

Attached are the financial documents distributed to the residents at the May Semi-Annual meeting which detail projected and budgeted information for the facility and bond obligated group.



THE COVINGTON

BalanceSheet As of Mar 31, 2024

	Variance			
	Current Year	Prior Year	\$	%
Current Assets				
Cash and cash equivalents	1,786,635	3,750,250	(1,963,615)	-52%
Investments, short-term	14,450,699	9,482,233	4,968,466	52%
Accounts receivable, net	216,835	670,600	(453,765)	-68%
Other receivables	44,816	52,848	(8,031)	-15%
Inventories	39,785	43,853	(4,069)	-9%
Prepaid expenses & other current assets	276,971	279,238	(2,267)	-1%
Current portion of notes receivable	250,700	766,364	(515,664)	-67%
Assets limited as to use, required for current liabilities	3,009,218	1,707	3,007,511	176145%
Due (to) from related parties	(12,290)	(24,953)	12,663	51%
Total Current Assets	20,063,370	15,022,140	5,041,229	34%
Property and Equipment, Net	57,579,289	56,036,924	1,542,365	3%
Other Assets				
Investment, long-term	30,721,635	26,761,105	3,960,530	15%
Notes receivable, long-term	354,923	354,923	-	0%
Assets limited as to use, net of current portion	6,383,091	370,375	6,012,716	1623%
Deferred charges and other assets	379,314	476,561	(97,247)	-20%
Interest in related parties' net assets	719,370	984,990	(265,620)	-27%
Total Other Assets	38,558,332	28,947,953	9,610,379	33%
Total Assets	116,200,991	100,007,018	16,193,973	16%



THE COVINGTON

BalanceSheet As of Mar 31, 2024

	Variance			
	Current Year	Prior Year	\$	%
Current Liabilities				
Accounts payable and accrued expenses	1,026,922	943,013	83,909	9%
Accrued compensation, payroll taxes, and benefits	577,032	560,107	16,926	3%
Interest payable	683,840	553,447	130,394	24%
Other current liabilities	430,657	463,643	(32,985)	-7%
Current portion of long-term debt	1,344,224	1,311,847	32,378	2%
Total Current Liabilities	4,062,676	3,832,056	230,620	6%
Other Liabilities				
Note payable to related party	-	285,780	(285,780)	-100%
Deposits from residents	141,170	156,170	(15,000)	-10%
Liability for refundable and repayable entrance fees	83,941,135	82,881,955	1,059,180	1%
Deferred revenue from entrance fees	15,047,816	10,788,219	4,259,597	39%
Long-term debt, net of current maturities	60,364,367	46,524,478	13,839,889	30%
Total Other Liabilities	159,494,488	140,636,601	18,857,887	13%
Total Liabilities	163,557,165	144,468,657	19,088,507	13%
Net Assets				
Fund Balance	(56,825,856)	(52,170,235)	(4,655,620)	-9%
Net Asset Transfer	9,348,338	8,993,888	354,450	4%
Interest in Entity	1,593,092	1,888,349	(295,257)	-16%
Net Income	(1,471,747)	(3,173,641)	1,701,894	54%
Total Net Assets	(47,356,173)	(44,461,640)	(2,894,534)	-7%
Total Liabilities and Net Assets	116,200,991	100,007,018	16,193,973	16%



THE COVINGTON

Income Statement
For the Nine Months Ended Mar 31, 2024

	Current Month				Current Year		Prior Year	Variance to Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	Actual	\$	%
Operating Revenue									
Independent Living	1,048,331	1,067,871	(19,540)	-2%	9,333,359	9,457,656	8,647,952	(124,297)	-1%
Assisted Living	324,150	326,615	(2,465)	-1%	2,787,535	2,749,074	2,485,726	38,461	1%
Skilled Nursing	-	-	-	0%	-	-	2,484,205	-	0%
Total Operating Revenue	1,372,481	1,394,486	(22,005)	-2%	12,120,895	12,206,731	13,617,884	(85,836)	-1%
Operating Expenses									
Nursing Services	240,402	259,570	(19,168)	-7%	2,206,093	2,295,221	4,321,596	(89,128)	-4%
Residential Services	113,869	98,102	15,767	16%	1,009,068	883,368	840,592	125,700	14%
Environmental Services	197,503	245,266	(47,763)	-19%	2,214,107	2,182,514	2,113,373	31,592	1%
Utilities	82,510	102,445	(19,934)	-19%	805,561	922,001	884,478	(116,441)	-13%
Dining Services	280,884	358,619	(77,735)	-22%	3,225,158	3,196,655	3,237,571	28,502	1%
Marketing	84,120	94,398	(10,278)	-11%	774,887	788,753	781,846	(13,866)	-2%
Administrative	84,210	138,646	(54,436)	-39%	1,261,024	1,244,623	1,202,738	16,401	1%
Shared Services	205,649	197,275	8,374	4%	1,641,114	1,769,453	1,690,767	(128,339)	-7%
Property & Liability Insurance	50,096	51,639	(1,543)	-3%	481,345	464,747	409,913	16,598	4%
Total Operating Expenses	1,339,242	1,545,959	(206,717)	-13%	13,618,355	13,747,336	15,482,876	(128,981)	-1%
Net Operating Income (Loss) before Companion Care	33,238	(151,473)	184,711	-122%	(1,497,461)	(1,540,605)	(1,864,992)	43,145	3%
Companion Care									
Revenue	182,803	310,960	(128,157)	-41%	2,093,697	2,715,974	2,123,996	(622,277)	-23%
Expense	(209,105)	(294,153)	-	0%	(1,988,409)	(2,601,684)	(2,090,312)	(613,276)	-24%
Companion Care, net	(26,302)	16,807	(43,109)	-256%	105,288	114,289	33,684	(9,001)	-8%
Net Operating Income (Loss)	6,936	(134,666)	184,711	-137%	(1,392,172)	(1,426,316)	(1,831,308)	34,144	2%
Net Operating Margin	1%	-10%			-11%	-12%	-13%		



THE COVINGTON

Income Statement
For the Nine Months Ended Mar 31, 2024

	Current Month				Current Year		Prior Year	Variance to Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	Actual	\$	%
Non Operating Revenue									
Gain (Loss) on sale/disposal of assets	(1,522)	-	(1,522)	0%	(84,929)	-	(264,469)	(84,929)	0%
Contribution income	150	-	150	0%	138,005	-	137,713	138,005	0%
Miscellaneous income, net	(57,085)	(58,333)	1,248	-2%	(50,056)	(525,000)	(108,161)	474,944	90%
Amortization of entrance fees	184,519	189,905	(5,386)	-3%	2,135,683	1,709,148	1,502,193	426,535	25%
Change in interest in net assets of related parties	18,480	-	18,480	0%	92,522	-	62,885	92,522	0%
Total Non Operating Revenue	144,542	131,572	12,970	10%	2,231,225	1,184,148	1,330,161	1,047,078	88%
Non Operating Expenses									
Depreciation & amortization expense	497,459	455,207	42,252	9%	4,367,298	4,096,861	3,942,746	270,437	7%
Interest	127,518	79,041	48,476	61%	1,113,890	711,372	1,151,461	402,519	57%
Exceptional Expenses	74,163	-	-	0%	74,163	-	347,771	74,163	0%
Total Non Operating Expenses	699,140	534,248	164,892	31%	5,555,352	4,808,233	5,441,978	747,119	16%
Adjusted Net Income (Loss)	(547,662)	(537,342)	32,790	-6%	(4,716,299)	(5,050,401)	(5,943,125)	334,103	7%
Investment Return									
Dividends & interest (net)	145,698	60,406	85,293	141%	1,030,217	543,650	728,273	486,566	89%
Unrealized gains (losses)	592,858	30,203	562,655	1863%	2,026,549	271,825	1,693,090	1,754,724	646%
Realized gains (losses)	23,851	90,608	(66,757)	-74%	187,786	815,475	348,121	(627,689)	-77%
Total Investment Return (Net Fees)	762,408	181,217	495,898	274%	3,244,551	1,630,951	2,769,484	1,613,601	99%
Total Income (Loss)	214,746	(356,126)	570,871	-160%	(1,471,747)	(3,419,451)	(3,173,641)	1,947,703	57%

Budget Income Statement

04 (The Covington), All Departments



	Budget FY2025	Projected FY2024	Budget FY2024	\$ Var Projected	% Var Projected	\$ Var Prior Budget	% Var Prior Budget
OPERATING REVENUE							
Independent Living	13,430,122	12,440,245	12,683,152	989,876	8%	746,970	6%
Assisted Living	3,865,065	3,711,305	3,697,984	153,760	4%	167,081	5%
Total Operating Revenue	17,295,186	16,151,550	16,381,136	1,143,636	7%	914,051	6%
Operating Expenses							
Nursing Services	2,974,512	2,943,227	3,057,617	31,285	1%	(83,105)	-3%
Residential Services	1,375,314	1,344,768	1,178,094	30,546	2%	197,220	17%
Environmental Services	2,923,765	2,970,333	2,908,361	(46,568)	-2%	15,404	1%
Utilities	1,130,043	1,076,705	1,229,335	53,338	5%	(99,292)	-8%
Dining Services	4,478,443	4,329,260	4,260,146	149,183	3%	218,297	5%
Marketing	1,086,772	1,033,924	1,087,399	52,848	5%	(627)	0%
Administrative	1,637,900	1,702,329	1,659,506	(64,429)	-4%	(21,606)	-1%
Shared Services	2,452,031	2,179,413	2,353,611	272,618	13%	98,421	4%
Property & Liability Insurance	743,905	643,063	619,663	100,842	16%	124,242	20%
Total Operating Expenses	18,802,685	18,223,023	18,353,731	579,662	3%	448,954	2%
Net Operating Income (Loss) before Companion Care	(1,507,499)	(2,071,473)	(1,972,596)	563,974	27%	465,096	24%
Companion Care							
Revenue	3,120,256	2,810,282	3,633,379	309,974	11%	(513,123)	-14%
Expense	(2,892,211)	(2,655,647)	(3,465,242)	236,563	9%	(573,031)	-17%
Companion Care, net	228,045	154,635	168,138	73,411	47%	59,908	36%
Net Operating Income (Loss)	(1,279,454)	(1,916,838)	(1,804,458)	637,384	33%	525,004	29%
Net Operating Margin	-7%	-12%	-11%	4%	38%	4%	33%

Budget Income Statement

04 (The Covington), All Departments



	Budget FY2025	Projected FY2024	Budget FY2024	\$ Var Projected	% Var Projected	\$ Var Prior Budget	% Var Prior Budget
Non Operating Revenue							
Gain (Loss) on sale/disposal of assets	-	(116,206)	-	116,206	100%	-	0%
Contribution income	137,855	189,701	-	(51,846)	-27%	137,855	0%
Miscellaneous income, net	(200,000)	(47,420)	(700,000)	(152,580)	-322%	500,000	71%
Amortization of entrance fees	3,862,551	2,867,369	2,278,864	995,182	35%	1,583,687	69%
Change in interest in net assets of related parties	-	120,288	-	(120,288)	-100%	-	0%
Total Non Operating Revenue	3,800,406	3,013,732	1,578,864	786,674	26%	2,221,542	141%
Non Operating Expenses							
Depreciation & amortization expense	4,922,850	5,818,488	5,462,482	(895,638)	-15%	(539,632)	-10%
Interest	1,438,551	1,483,780	948,496	(45,229)	-3%	490,055	52%
Exceptional Expenses	-	74,163	-				
Total Non Operating Expenses	6,361,401	7,376,432	6,410,978	(1,015,030)	-14%	(49,576)	-1%
Adjusted Net Income/Loss	(4,068,494)	(6,434,172)	(6,804,709)	2,365,678	37%	2,736,215	40%
Investment Return							
Dividends & interest (net)	1,083,000	1,361,911	724,867	(278,911)	-20%	358,133	49%
Unrealized gains (losses)	1,422,000	2,564,183	362,434	(1,142,183)	-45%	1,059,566	292%
Realized gains (losses)	284,000	249,261	1,087,300	34,739	14%	(803,300)	-74%
Total Investment Return (Net Fees)	2,789,000	4,175,355	2,174,601	(1,386,355)	-33%	614,399	28%
Total Income (Loss)	(1,051,449)	(2,104,182)	(4,461,971)	1,052,733	50%	3,410,522	76%



ECS Obligated Group

BalanceSheet
As of Mar 31, 2024

	Variance			
	Current Year	Prior Year	\$	%
Current Assets				
Cash and cash equivalents	5,181,901	6,972,740	(1,790,839)	-26%
Investments, short-term	25,132,411	17,883,530	7,248,880	41%
Accounts receivable, net	1,083,167	1,481,409	(398,243)	-27%
Other receivables	59,447	36,272	23,175	64%
Inventories	228,278	271,017	(42,740)	-16%
Prepaid expenses & other current assets	787,630	741,837	45,792	6%
Current portion of notes receivable	3,041,181	3,254,745	(213,564)	-7%
Assets limited as to use, required for current liabilities	16,226,523	1,842	16,224,681	880981%
Due (to) from related parties	(34,007)	(57,708)	23,700	41%
Total Current Assets	51,706,529	30,585,685	21,120,845	69%
Property and Equipment, Net	217,788,638	211,317,616	6,471,022	3%
Other Assets				
Investment, long-term	106,170,518	96,632,815	9,537,703	10%
Notes receivable, long-term	587,000	587,000	-	0%
Assets limited as to use, net of current portion	81,566,852	4,061,465	77,505,386	1908%
Deferred charges and other assets	1,606,627	660,019	946,609	143%
Interest in related parties' net assets	2,560,743	2,707,468	(146,725)	-5%
Total Other Assets	192,491,739	104,648,766	87,842,972	84%
Total Assets	461,986,906	346,552,067	115,434,839	33%



ECS Obligated Group

Balance Sheet
As of Mar 31, 2024

	Variance			
	Current Year	Prior Year	\$	%
Current Liabilities				
Accounts payable and accrued expenses	3,434,089	2,130,953	1,303,136	61%
Accrued compensation, payroll taxes, and benefits	1,606,154	1,437,928	168,226	12%
Interest payable	1,915,801	1,109,552	806,250	73%
Other current liabilities	1,134,841	1,204,547	(69,706)	-6%
Deferred revenue	170,099	202,287	(32,188)	-16%
Current portion of long-term debt	2,710,640	2,660,000	50,640	2%
Total Current Liabilities	10,971,624	8,745,266	2,226,358	25%
Other Liabilities				
Note payable to related party	-	285,780	(285,780)	-100%
Deposits from residents	6,130,591	3,933,573	2,197,018	56%
Liability for refundable and repayable entrance fees	237,369,437	238,112,604	(743,168)	0%
Deferred revenue from entrance fees	28,875,771	24,766,873	4,108,899	17%
Long-term debt, net of current maturities	192,316,686	86,618,155	105,698,532	122%
Total Other Liabilities	464,692,485	353,716,984	110,975,500	31%
Total Liabilities	475,664,109	362,462,251	113,201,858	31%
Net Assets				
Fund Balance	(60,699,309)	(58,940,752)	(1,758,556)	-3%
Net Asset Transfer	40,265,738	39,696,639	569,099	1%
Interest in Entity	4,232,818	4,505,476	(272,658)	-6%
Net Income	2,523,550	(1,171,546)	3,695,096	315%
Total Net Assets	(13,677,203)	(15,910,184)	2,232,981	14%
Total Liabilities and Net Assets	461,986,906	346,552,067	115,434,839	33%



ECS Obligated Group

Income Statement
For the Nine Months Ended Mar 31, 2024

	Current Month				Current Year		Prior Year	Variance to Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	Actual	\$	%
Operating Revenue									
Independent Living	3,096,189	3,134,004	(37,815)	-1%	27,709,576	27,984,607	25,953,245	(275,031)	-1%
Assisted Living	964,716	1,039,251	(74,535)	-7%	9,000,390	9,039,477	7,049,101	(39,086)	0%
Skilled Nursing	-	-	-	0%	-	-	3,930,660	-	0%
Total Operating Revenue	4,060,905	4,173,255	(112,350)	-3%	36,709,966	37,024,083	36,933,007	(314,117)	-1%
Operating Expenses									
Nursing Services	806,138	840,476	(34,338)	-4%	7,150,379	7,431,682	9,571,936	(281,304)	-4%
Residential Services	290,904	273,304	17,600	6%	2,616,952	2,484,167	2,254,766	132,785	5%
Environmental Services	546,887	598,380	(51,493)	-9%	5,264,343	5,329,816	5,051,141	(65,473)	-1%
Utilities	225,999	249,584	(23,584)	-9%	2,107,128	2,246,196	2,138,494	(139,069)	-6%
Dining Services	888,602	919,276	(30,674)	-3%	8,271,026	8,213,810	7,770,126	57,216	1%
Marketing	265,910	266,151	(241)	0%	2,309,124	2,119,628	2,149,167	189,497	9%
Administrative	352,822	404,465	(51,643)	-13%	3,606,425	3,637,037	3,363,293	(30,613)	-1%
Shared Services	567,843	521,680	46,163	9%	4,463,369	4,679,589	4,448,489	(216,221)	-5%
Property & Liability Insurance	128,232	123,365	4,867	4%	1,212,351	1,110,287	981,274	102,064	9%
Total Operating Expenses	4,073,338	4,196,681	(123,343)	-3%	37,001,096	37,252,213	37,728,687	(251,117)	-1%
Companion Care									
Revenue	575,007	662,005	(86,998)	-13%	5,943,827	5,799,106	5,049,941	144,721	2%
Expense	(637,925)	(619,759)	-	0%	(5,656,930)	(5,480,062)	(4,657,544)	176,868	3%
Companion Care, net	(62,918)	42,246	(105,163)	-249%	286,897	319,044	392,397	(32,147)	-10%
Net Operating Income (Loss)	(75,351)	18,820	10,993	58%	(4,233)	90,914	(403,283)	(95,147)	-105%
Net Operating Margin	-2%	0%			0%	0%	-1%		



ECS Obligated Group

Income Statement
For the Nine Months Ended Mar 31, 2024

	Current Month				Current Year		Prior Year	Variance to Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	Actual	\$	%
Non Operating Revenue									
Gain (Loss) on sale/disposal of assets	(34,598)	-	(34,598)	0%	(132,027)	-	(318,665)	(132,027)	0%
Gain (Loss) on bond refinancing/conversion	-	-	-	0%	-	-	556,610	-	0%
Contribution income	1,135	-	1,135	0%	148,965	-	175,377	148,965	0%
Miscellaneous income, net	(55,918)	(83,333)	27,415	-33%	(15,428)	(750,000)	(31,337)	734,572	98%
Amortization of entrance fees	387,315	433,649	(46,334)	-11%	4,609,696	3,902,843	3,641,981	706,853	18%
Total Non Operating Revenue	364,850	350,316	14,534	4%	4,928,989	3,152,843	4,215,817	1,776,146	56%
Non Operating Expenses									
Depreciation & amortization expense	1,204,279	1,146,965	57,314	5%	10,578,836	10,322,681	9,929,111	256,155	2%
Interest	229,422	197,836	31,586	16%	2,022,367	1,780,524	2,472,557	241,843	14%
Marketing - Expansion	28,975	19,602		0%	119,307	176,414	176,919	(57,107)	-32%
Exceptional Expenses	74,163	-		0%	74,163	-	527,133	74,163	0%
Total Non Operating Expenses	1,536,838	1,364,402	172,436	13%	12,794,674	12,279,619	13,105,720	515,054	4%
Adjusted Net Income (Loss)	(1,247,339)	(995,266)	(146,909)	15%	(7,869,918)	(9,035,862)	(9,293,187)	1,165,944	13%
Investment Return									
Dividends & interest (net)	420,145	190,861	229,284	120%	3,027,342	1,717,745	2,501,383	1,309,597	76%
Unrealized gains (losses)	1,915,405	95,430	1,819,974	1907%	6,819,288	858,874	4,480,396	5,960,414	694%
Realized gains (losses)	82,752	286,291	(203,539)	-71%	546,838	2,576,617	1,139,862	(2,029,779)	-79%
Total Investment Return (Net Fees)	2,418,301	572,582	1,616,435	282%	10,393,468	5,153,236	8,121,641	5,240,232	102%
Total Income (Loss)	1,170,962	(422,685)	1,593,647	-377%	2,523,550	(3,882,626)	(1,171,546)	6,406,176	165%

Budget Income Statement

ECS Obligated Group, All Departments



	Budget FY2025	Projected FY2024	Budget FY2024	\$ Var Projected	% Var Projected	\$ Var Prior Budget	% Var Prior Budget
OPERATING REVENUE							
Independent Living	39,388,446	36,939,596	37,415,028	2,448,850	7%	1,973,418	5%
Assisted Living	12,841,006	12,013,768	12,164,226	827,237	7%	676,779	6%
Total Operating Revenue	52,229,452	48,953,364	49,579,254	3,276,087	7%	2,650,198	5%
Operating Expenses							
Nursing Services	10,179,145	9,529,469	9,905,687	649,676	7%	273,458	3%
Residential Services	3,565,331	3,489,220	3,302,428	76,111	2%	262,903	8%
Environmental Services	7,301,700	7,033,390	7,079,781	268,311	4%	221,920	3%
Utilities	2,957,450	2,812,551	2,994,947	144,899	5%	(37,497)	-1%
Dining Services	11,686,330	11,052,702	10,940,882	633,628	6%	745,448	7%
Marketing	2,993,700	3,076,564	2,852,896	(82,864)	-3%	140,805	5%
Administrative	4,841,620	4,826,527	4,840,347	15,094	0%	1,273	0%
Shared Services	6,474,010	5,924,191	6,224,392	549,819	9%	249,618	4%
Property & Liability Insurance	1,870,106	1,618,896	1,480,383	251,210	16%	389,723	26%
Total Operating Expenses	51,869,393	49,363,508	49,621,743	2,505,885	5%	2,247,650	5%
Net Operating Income (Loss) before Companion Car	360,059	(410,144)	(42,489)	770,202	188%	402,547	947%
Companion Care							
Revenue	8,705,170	7,954,956	7,748,931	750,213	9%	956,239	12%
Expense	(7,948,455)	(7,539,057)	(7,300,104)	409,397	5%	648,351	9%
Companion Care, net	756,715	415,899	448,827	340,816	82%	307,888	69%
Net Operating Income (Loss)	1,116,773	5,755	406,338	1,111,018	19304%	710,435	175%
Net Operating Margin	2%	0%	1%	2%	18087%	1%	161%

Budget Income Statement

ECS Obligated Group, All Departments



	Budget FY2025	Projected FY2024	Budget FY2024	\$ Var Projected	% Var Projected	\$ Var Prior Budget	% Var Prior Budget
Non Operating Revenue							
Gain (Loss) on sale/disposal of assets	-	(168,563)	-	168,563	100%	-	0%
Contribution income	147,730	204,401	-	(56,671)	-28%	147,730	0%
Miscellaneous income, net	(200,000)	(245)	(1,000,000)	(199,755)	-81683%	800,000	80%
Amortization of entrance fees	7,738,226	6,193,089	5,203,791	1,545,138	25%	2,534,436	49%
Change in interest in net assets of related parties	-	411,858	-	(411,858)	-100%	-	0%
Total Non Operating Revenue	7,685,956	6,640,541	4,203,791	1,045,415	16%	3,482,166	83%
Non Operating Expenses							
Depreciation & amortization expense	13,127,556	14,094,295	13,763,575	(966,739)	-7%	(636,019)	-5%
Interest	2,604,203	2,694,722	2,374,032	(90,520)	-3%	230,171	10%
Marketing - Expansion	109,697	153,182	235,219	(43,484)	-28%	(125,522)	-53%
Exceptional Expenses	-	74,163	-				
Total Non Operating Expenses	15,841,456	17,016,362	16,372,826	(1,174,906)	-7%	(531,370)	-3%
Adjusted Net Income/Loss	(7,795,441)	(10,785,964)	(12,211,524)	2,990,524	28%	4,416,083	36%
Investment Return							
Dividends & interest (net)	3,178,000	4,005,041	2,290,327	(827,041)	-21%	887,673	39%
Unrealized gains (losses)	4,173,000	8,658,244	1,145,165	(4,485,244)	-52%	3,027,835	264%
Realized gains (losses)	835,000	720,871	3,435,490	114,129	16%	(2,600,490)	-76%
Total Investment Return (Net Fees)	8,186,000	13,384,156	6,870,982	(5,198,156)	-39%	1,315,018	19%
Total Income (Loss)	1,147,274	3,014,091	(4,891,715)	(1,866,816)	-62%	6,038,989	123%

FORM 7-1 REPORT ON CCRC MONTHLY CARE FEES

Complete **Form 7-1** to report the monthly care fee increase (MCFI) for **each** community operated by the Provider. If no adjustments were made during the reporting period for a community, indicate by checking the box below **Line [2]**. Providers must complete a separate Form 7-1 for each of their continuing care retirement communities.

1. On **Line 1**, enter the amount of monthly care fees for each level of care at the *beginning* of the reporting period.
2. On **Line 2**, indicate the percentage(s) of increase in fees implemented during the *reporting* period.
3. On **Line 3**, indicate the date the fee increase was implemented. If more than one (1) increase was implemented, indicate the date(s) for each increase.
4. Check *each* of the appropriate boxes.
5. Provide a detailed explanation for the increase in monthly care fees including the total dollar amount for the community overall and corresponding percentage increase for each level of care in compliance with the Health and Safety Code. The explanation shall set forth the reasons, by department cost centers, for any increase in monthly care fee. It must include if the change in monthly care fees is due to any actual or projected costs related to any other CCRC community or enterprise affiliated with the provider or parent company.

The methodology used to budget future costs should align with one or more of the following factors: “projected costs, prior year per capita costs and economic indicators.” Describe the methodology used for single or multiple communities. If there are multiple MCFI percentages, i.e., by level of care, a separate explanation for each MCFI will be required.

Also, if there is a positive result of operations, the provider will need to explain how the funds will be used and/or distributed consistent with disclosures made in the applicable sections of the Continuing Care Contract.

This attachment should include the data used in the Monthly Care Fee Increase meeting presentation provided to residents, which will also include actual results and an explanation of any variances.

NOTE: Providers shall retain all documents related to the development of adjusted fees at their respective communities for a period of at least three years, i.e., budgets, statements of operations, cost reports, used near the end of the prior fiscal year to develop adjustments implemented in the current reporting period. These documents must be available for review upon request by the Department.

FORM 7-1**REPORT ON CCRC MONTHLY CARE FEES**

	RESIDENTIAL LIVING	ASSISTED LIVING	MEMORY CARE	SKILLED NURSING
1. Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)	5,028-10,542	n/a	10,197	n/a
2. Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	5%		7%	
☐ Check here if monthly care fees at this community were <u>not</u> increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)				
3. Indicate the date the fee increase was implemented: <u>07/01/2024</u> (If more than one (1) increase was implemented, indicate the dates for each increase.)				
4. Check each of the appropriate boxes: ☒ Each fee increase is based on the Provider's projected costs, prior year per capita costs, and economic indicators. ☒ All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. Date of Notice: <u>06/01/2024</u> Method of Notice: <u>printed and/or emailed</u> ☒ At least 30 days prior to the increase in fees, the designated representative of the Provider convened a meeting that all residents were invited to attend. Date of Meeting: <u>05/21/2024</u> ☒ At the meeting with residents, the Provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase. ☒ The Provider distributed the documents to all residents by [Optional - check all that apply]: ☐ Emailed the documents to those residents for whom the provider had email addresses on file ☐ Placed hard copies in resident cubby ☐ Placed hard copies at designated locations ☐ Provided hard copies to residents upon request, and/or ☐ Other: [please describe] _____ ☒ Date of Notice: <u>05/07/2024</u>				

- ☒ The Provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.

Date of Notice: 05/07/2024

- ☒ The governing body of the Provider, or the designated representative of the Provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting.

Date of Posting: 05/07/2024 **Location of Posting:** Electronic Messaging Screens/Kiosks

- ☒ Providers evaluated the effectiveness of consultations during the annual budget planning process at a minimum of every two years by the continuing care retirement community administration. The evaluation, including any policies adopted relating to cooperation with residents was made available to the resident association or its governing body, or, if neither exists, to a committee of residents at least 14 days prior to the next semiannual meeting of residents and the Provider's governing body and posted a copy of that evaluation in a conspicuous location at each facility.

Date of Posting: 05/07/2024 **Location of Posting:** Library/Resident Mailboxes

5. On an attached page, provide a detailed explanation for the increase in monthly care fees including the amount of the increase and compliance with the Health and Safety Code.

PROVIDER: Episcopal Communities & Services for Senior **COMMUNITY:** MonteCedro

Form 7-1 Attachment
Monthly Care Fee Increase (MCFI)
Annual Reporting Fiscal Year 2025
MonteCedro

		Dollar Amounts in Thousands		
Line	Fiscal Years	2023	2024	2025
1	FY 2023 Operating Expenses	\$ (19,033)		
2	FY 2024 Operating Expenses (Adjustments, if any, Explained Below)		\$ (20,265)	
3	Projected FY 2025 Results of Operations (Adjustments Explained Below)			\$ (21,418)
4	FY 2025 Anticipated MCFI Revenue Based on Current and Projected Occupancy and Other without a MCFI			\$ 21,741
5	Projected FY 2025 (Net) Operating Results without a MCFI (Line 3 plus Line 4)			\$ 323
6	Projected FY 2025 Anticipated Revenue Based on Current and Projected Occupancy and Other with MCFI 5% - 7%			\$ 22,626
7	Grand Total - Projected FY 2025 Net Operating Activity After 5% - 7% MCFI (Line 3 plus Line 6)			\$ 1,208

Monthly Care Fee Increase: 5% - 7%

Adjustments Explained:

FY 2023 to FY 2024

Operating Expenses reflect direct department expenses plus interest expense

FY 2024 to FY 2025

Labor Costs are approximately 67% of budget and are comprised of staffing for occupancy projections, competitive wage increases and increases in employee benefit costs.

Increases in non-labor costs are determined primarily by information received directly from vendors/contractors.

MCFI is 5% for Residential Living, 7% for Memory Care

Budget projections must comply with bond covenants (combined with The Canterbury and The Covington) as measured by financial ratios.

Postive results of operations are used for capital improvements and campus master planning projects.

Form 7-1 Narrative

The increase in monthly service fees was based on a combination of factors, these included projected increases in cost of purchased goods/supplies, insurance premiums (both employee benefits and corporate), and competitive increases in the minimum wage necessary to maintain adequate staffing levels. Projected occupancy levels were used to budget variable costs.

Final budgets and effects on cash flow (consolidated with The Canterbury and The Covington) were also tested to ensure compliance with bond covenant ratios.

At MonteCedro, these combined factors to require an increase of 5% at the Residential Living and 7% at the Memory Care levels of care to monthly service fees charged.

Attached are the financial documents distributed to the residents at the May Semi-Annual meeting which detail projected and budgeted information for the facility and bond obligated group.



MONTECEDRO

BalanceSheet As of Mar 31, 2024

	Variance			
	Current Year	Prior Year	\$	%
Current Assets				
Cash and cash equivalents	2,468,376	3,067,728	(599,352)	-20%
Investments, short-term	3,091,363	5,082,180	(1,990,817)	-39%
Accounts receivable, net	304,765	457,340	(152,575)	-33%
Other receivables	7,762	(29,787)	37,549	126%
Inventories	116,261	113,385	2,876	3%
Prepaid expenses & other current assets	322,843	244,262	78,582	32%
Current portion of notes receivable	984,731	1,925,881	(941,150)	-49%
Assets limited as to use, required for current liabilities	10,916,697	-	10,916,697	0%
Due (to) from related parties	(11,161)	(12,538)	1,376	11%
Total Current Assets	18,201,636	10,848,451	7,353,185	68%
Property and Equipment, Net	135,489,767	133,234,659	2,255,108	2%
Other Assets				
Investment, long-term	45,776,957	34,295,067	11,481,890	33%
Assets limited as to use, net of current portion	64,415,854	3,635,020	60,780,834	1672%
Deferred charges and other assets	935,131	114,930	820,201	714%
Interest in related parties' net assets	139,119	191,583	(52,463)	-27%
Total Other Assets	111,267,062	38,236,600	73,030,462	191%
Total Assets	264,958,465	182,319,710	82,638,755	45%



MONTECEDRO

BalanceSheet As of Mar 31, 2024

	Variance			
	Current Year	Prior Year	\$	%
Current Liabilities				
Accounts payable and accrued expenses	1,385,501	581,450	804,051	138%
Accrued compensation, payroll taxes, and benefits	524,007	423,573	100,434	24%
Interest payable	1,025,853	500,560	525,293	105%
Other current liabilities	330,938	315,621	15,316	5%
Deferred revenue	170,099	202,287	(32,188)	-16%
Current portion of long-term debt	1,265,922	1,245,000	20,922	2%
Total Current Liabilities	4,702,320	3,268,492	1,433,828	44%
Other Liabilities				
Deposits from residents	5,874,280	3,634,847	2,239,433	62%
Liability for refundable and repayable entrance fees	124,477,925	123,035,584	1,442,341	1%
Deferred revenue from entrance fees	10,383,006	10,093,215	289,791	3%
Long-term debt, net of current maturities	110,446,148	36,435,350	74,010,797	203%
Total Other Liabilities	251,181,359	173,198,997	77,982,362	45%
Total Liabilities	255,883,678	176,467,489	79,416,190	45%
Net Assets				
Fund Balance	(30,951,540)	(33,340,512)	2,388,972	7%
Net Asset Transfer	37,521,937	37,434,146	87,792	0%
Interest in Entity	245,061	301,503	(56,442)	-19%
Net Income	2,259,328	1,457,084	802,244	55%
Total Net Assets	9,074,787	5,852,221	3,222,566	55%
Total Liabilities and Net Assets	264,958,465	182,319,710	82,638,755	45%



MONTECEDRO

Income Statement
For the Nine Months Ended Mar 31, 2024

	Current Month				Current Year		Prior Year	Variance to Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	Actual	\$	%
Operating Revenue									
Independent Living	1,305,335	1,346,653	(41,318)	-3%	11,997,119	12,116,876	11,554,613	(119,757)	-1%
Assisted Living	205,133	229,210	(24,077)	-11%	2,020,231	2,103,959	2,115,912	(83,728)	-4%
Total Operating Revenue	1,510,469	1,575,863	(65,395)	-4%	14,017,350	14,220,835	13,670,525	(203,485)	-1%
Operating Expenses									
Nursing Services	236,861	264,489	(27,627)	-10%	2,229,278	2,337,201	2,173,611	(107,923)	-5%
Residential Services	109,010	99,112	9,899	10%	946,766	923,497	885,948	23,269	3%
Environmental Services	191,630	180,839	10,791	6%	1,581,948	1,616,111	1,549,097	(34,163)	-2%
Utilities	93,418	92,833	585	1%	823,743	835,489	795,849	(11,746)	-1%
Dining Services	331,894	300,062	31,832	11%	2,707,647	2,692,011	2,428,233	15,636	1%
Marketing	83,471	104,590	(21,118)	-20%	792,145	733,330	768,624	58,815	8%
Administrative	159,869	155,798	4,072	3%	1,391,884	1,413,860	1,231,114	(21,976)	-2%
Shared Services	175,021	162,192	12,829	8%	1,380,757	1,454,996	1,382,514	(74,239)	-5%
Property & Liability Insurance	50,306	46,085	4,221	9%	484,432	414,765	363,727	69,667	17%
Total Operating Expenses	1,431,483	1,405,999	25,484	2%	12,338,599	12,421,260	11,578,716	(82,662)	-1%
Net Operating Income (Loss) before Companion Care	78,986	169,864	(90,878)	-54%	1,678,752	1,799,575	2,091,808	(120,824)	-7%
Companion Care									
Revenue	167,102	147,318	19,784	13%	1,850,652	1,302,099	1,307,572	548,552	42%
Expense	(179,366)	(149,804)	-	0%	(1,752,618)	(1,324,201)	(1,197,109)	428,417	32%
Companion Care, net	(12,264)	(2,487)	(9,778)	393%	98,034	(22,102)	110,463	120,136	544%
Net Operating Income (Loss)	66,722	167,378	(90,878)	-54%	1,776,786	1,777,473	2,202,271	(688)	0%
Net Operating Margin	4%	11%			13%	12%	16%		



MONTECEDRO

Income Statement
For the Nine Months Ended Mar 31, 2024

	Current Month				Current Year		Prior Year	Variance to Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	Actual	\$	%
Non Operating Revenue									
Gain (Loss) on sale/disposal of assets	-	-	-	0%	(4,066)	-	(1,560)	(4,066)	0%
Gain (Loss) on bond refinancing/conversion	-	-	-	0%	-	-	556,610	-	0%
Contribution income	885	-	885	0%	8,585	-	27,990	8,585	0%
Miscellaneous income, net	1,000	-	1,000	0%	8,649	-	7,143	8,649	0%
Amortization of entrance fees	153,490	153,859	(369)	0%	1,585,522	1,384,730	1,338,715	200,791	15%
Change in interest in net assets of related parties	2,045	-	2,045	0%	16,139	-	12,160	16,139	0%
Total Non Operating Revenue	157,420	153,859	3,561	2%	1,614,829	1,384,730	1,941,058	230,099	17%
Non Operating Expenses									
Depreciation & amortization expense	471,174	473,381	(2,206)	0%	4,162,225	4,260,425	4,096,563	(98,201)	-2%
Interest	92,471	110,207	(17,736)	-16%	821,249	991,861	1,221,794	(170,612)	-17%
Marketing - Expansion	28,975	19,602	9,373	0%	119,307	176,414	176,919	(57,107)	-32%
Exceptional Expenses	-	-	-	0%	-	-	15,163	-	0%
Total Non Operating Expenses	592,620	603,189	(10,569)	-2%	5,102,781	5,428,701	5,510,439	(325,920)	-6%
Adjusted Net Income (Loss)	(368,479)	(281,952)	(76,749)	27%	(1,711,166)	(2,266,497)	(1,367,109)	555,331	25%
Investment Return									
Dividends & interest (net)	158,374	65,629	92,746	141%	1,112,422	590,659	882,303	521,763	88%
Unrealized gains (losses)	714,867	32,814	682,053	2079%	2,615,119	295,330	1,546,626	2,319,789	785%
Realized gains (losses)	33,350	98,443	(65,093)	-66%	242,954	885,988	395,265	(643,034)	-73%
Total Investment Return (Net Fees)	906,591	196,886	616,959	313%	3,970,495	1,771,976	2,824,194	2,198,518	124%
Total Income (Loss)	538,113	(85,066)	623,179	-733%	2,259,328	(494,521)	1,457,084	2,753,849	557%

Budget Income Statement

28 (MonteCedro), All Departments



	Budget FY2025	Projected FY2024	Budget FY2024	\$ Var Projected	% Var Projected	\$ Var Prior Budget	% Var Prior Budget
OPERATING REVENUE							
Independent Living	17,012,746	16,006,538	16,156,835	1,006,208	6%	855,910	5%
Assisted Living	2,856,058	2,700,893	2,812,930	155,166	6%	43,129	2%
Total Operating Revenue	19,868,804	18,707,431	18,969,765	1,161,373	6%	899,039	5%
Operating Expenses							
Nursing Services	3,148,055	2,976,434	3,119,312	171,621	6%	28,743	1%
Residential Services	1,298,672	1,260,925	1,221,696	37,747	3%	76,976	6%
Environmental Services	2,335,775	2,103,317	2,139,058	232,458	11%	196,717	9%
Utilities	1,153,716	1,097,614	1,113,988	56,102	5%	39,728	4%
Dining Services	3,904,220	3,598,554	3,581,892	305,666	8%	322,328	9%
Marketing	992,037	1,059,132	970,715	(67,095)	-6%	21,321	2%
Administrative	1,979,287	1,853,890	1,883,602	125,398	7%	95,685	5%
Shared Services	2,007,238	1,832,908	1,935,290	174,330	10%	71,947	4%
Property & Liability Insurance	748,867	647,229	553,021	101,638	16%	195,846	35%
Total Operating Expenses	17,567,867	16,430,002	16,518,575	1,137,865	7%	1,049,292	6%
Net Operating Income (Loss) before Companion Car	2,300,937	2,277,429	2,451,190	23,508	1%	(150,253)	-6%
Companion Care							
Revenue	2,757,167	2,481,983	1,734,548	275,184	11%	1,022,619	59%
Expense	(2,688,280)	(2,342,587)	(1,764,495)	345,692	15%	923,784	52%
Companion Care, net	68,887	139,396	(29,947)	(70,508)	-51%	98,835	330%
Net Operating Income (Loss)	2,369,825	2,416,825	2,421,242	(47,000)	-2%	(51,418)	-2%
Net Operating Margin	12%	13%	13%	-1%	-8%	-1%	-7%

Budget Income Statement

28 (MonteCedro), All Departments



	Budget FY2025	Projected FY2024	Budget FY2024	\$ Var Projected	% Var Projected	\$ Var Prior Budget	% Var Prior Budget
Non Operating Revenue							
Gain (Loss) on sale/disposal of assets	-	(5,590)	-	5,590	100%	-	0%
Contribution income	7,700	11,472	-	(3,772)	-33%	7,700	0%
Miscellaneous income, net	-	11,517	-	(11,517)	-100%	-	0%
Amortization of entrance fees	2,413,224	2,122,533	1,846,307	290,690	14%	566,917	31%
Change in interest in net assets of related parties	-	21,425	-	(21,425)	-100%	-	0%
Total Non Operating Revenue	2,420,924	2,161,357	1,846,307	259,566	12%	574,617	31%
Non Operating Expenses							
Depreciation & amortization expense	5,605,066	5,546,369	5,680,567	58,698	1%	(75,501)	-1%
Interest	1,052,184	1,094,541	1,322,482	(42,357)	-4%	(270,297)	-20%
Marketing - Expansion	109,697	153,182	235,219	(43,484)	-28%	(125,522)	-53%
Total Non Operating Expenses	6,766,948	6,794,091	7,238,268	(27,144)	0%	(471,320)	-7%
Adjusted Net Income/Loss	(2,045,087)	(2,355,305)	(2,940,771)	310,218	13%	895,684	30%
Investment Return							
Dividends & interest (net)	1,186,000	1,470,190	787,545	(284,190)	-19%	398,455	51%
Unrealized gains (losses)	1,558,000	3,327,713	393,773	(1,769,713)	-53%	1,164,227	296%
Realized gains (losses)	312,000	321,556	1,181,317	(9,556)	-3%	(869,317)	-74%
Total Investment Return (Net Fees)	3,056,000	5,119,459	2,362,635	(2,063,459)	-40%	693,365	29%
Total Income (Loss)	1,079,800	2,903,550	(608,083)	(1,823,749)	-63%	1,687,883	278%



ECS Obligated Group

BalanceSheet
As of Mar 31, 2024

	Variance			
	Current Year	Prior Year	\$	%
Current Assets				
Cash and cash equivalents	5,181,901	6,972,740	(1,790,839)	-26%
Investments, short-term	25,132,411	17,883,530	7,248,880	41%
Accounts receivable, net	1,083,167	1,481,409	(398,243)	-27%
Other receivables	59,447	36,272	23,175	64%
Inventories	228,278	271,017	(42,740)	-16%
Prepaid expenses & other current assets	787,630	741,837	45,792	6%
Current portion of notes receivable	3,041,181	3,254,745	(213,564)	-7%
Assets limited as to use, required for current liabilities	16,226,523	1,842	16,224,681	880981%
Due (to) from related parties	(34,007)	(57,708)	23,700	41%
Total Current Assets	51,706,529	30,585,685	21,120,845	69%
Property and Equipment, Net	217,788,638	211,317,616	6,471,022	3%
Other Assets				
Investment, long-term	106,170,518	96,632,815	9,537,703	10%
Notes receivable, long-term	587,000	587,000	-	0%
Assets limited as to use, net of current portion	81,566,852	4,061,465	77,505,386	1908%
Deferred charges and other assets	1,606,627	660,019	946,609	143%
Interest in related parties' net assets	2,560,743	2,707,468	(146,725)	-5%
Total Other Assets	192,491,739	104,648,766	87,842,972	84%
Total Assets	461,986,906	346,552,067	115,434,839	33%



ECS Obligated Group

Balance Sheet
As of Mar 31, 2024

	Variance			
	Current Year	Prior Year	\$	%
Current Liabilities				
Accounts payable and accrued expenses	3,434,089	2,130,953	1,303,136	61%
Accrued compensation, payroll taxes, and benefits	1,606,154	1,437,928	168,226	12%
Interest payable	1,915,801	1,109,552	806,250	73%
Other current liabilities	1,134,841	1,204,547	(69,706)	-6%
Deferred revenue	170,099	202,287	(32,188)	-16%
Current portion of long-term debt	2,710,640	2,660,000	50,640	2%
Total Current Liabilities	10,971,624	8,745,266	2,226,358	25%
Other Liabilities				
Note payable to related party	-	285,780	(285,780)	-100%
Deposits from residents	6,130,591	3,933,573	2,197,018	56%
Liability for refundable and repayable entrance fees	237,369,437	238,112,604	(743,168)	0%
Deferred revenue from entrance fees	28,875,771	24,766,873	4,108,899	17%
Long-term debt, net of current maturities	192,316,686	86,618,155	105,698,532	122%
Total Other Liabilities	464,692,485	353,716,984	110,975,500	31%
Total Liabilities	475,664,109	362,462,251	113,201,858	31%
Net Assets				
Fund Balance	(60,699,309)	(58,940,752)	(1,758,556)	-3%
Net Asset Transfer	40,265,738	39,696,639	569,099	1%
Interest in Entity	4,232,818	4,505,476	(272,658)	-6%
Net Income	2,523,550	(1,171,546)	3,695,096	315%
Total Net Assets	(13,677,203)	(15,910,184)	2,232,981	14%
Total Liabilities and Net Assets	461,986,906	346,552,067	115,434,839	33%



ECS Obligated Group

Income Statement
For the Nine Months Ended Mar 31, 2024

	Current Month				Current Year		Prior Year	Variance to Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	Actual	\$	%
Operating Revenue									
Independent Living	3,096,189	3,134,004	(37,815)	-1%	27,709,576	27,984,607	25,953,245	(275,031)	-1%
Assisted Living	964,716	1,039,251	(74,535)	-7%	9,000,390	9,039,477	7,049,101	(39,086)	0%
Skilled Nursing	-	-	-	0%	-	-	3,930,660	-	0%
Total Operating Revenue	4,060,905	4,173,255	(112,350)	-3%	36,709,966	37,024,083	36,933,007	(314,117)	-1%
Operating Expenses									
Nursing Services	806,138	840,476	(34,338)	-4%	7,150,379	7,431,682	9,571,936	(281,304)	-4%
Residential Services	290,904	273,304	17,600	6%	2,616,952	2,484,167	2,254,766	132,785	5%
Environmental Services	546,887	598,380	(51,493)	-9%	5,264,343	5,329,816	5,051,141	(65,473)	-1%
Utilities	225,999	249,584	(23,584)	-9%	2,107,128	2,246,196	2,138,494	(139,069)	-6%
Dining Services	888,602	919,276	(30,674)	-3%	8,271,026	8,213,810	7,770,126	57,216	1%
Marketing	265,910	266,151	(241)	0%	2,309,124	2,119,628	2,149,167	189,497	9%
Administrative	352,822	404,465	(51,643)	-13%	3,606,425	3,637,037	3,363,293	(30,613)	-1%
Shared Services	567,843	521,680	46,163	9%	4,463,369	4,679,589	4,448,489	(216,221)	-5%
Property & Liability Insurance	128,232	123,365	4,867	4%	1,212,351	1,110,287	981,274	102,064	9%
Total Operating Expenses	4,073,338	4,196,681	(123,343)	-3%	37,001,096	37,252,213	37,728,687	(251,117)	-1%
Companion Care									
Revenue	575,007	662,005	(86,998)	-13%	5,943,827	5,799,106	5,049,941	144,721	2%
Expense	(637,925)	(619,759)	-	0%	(5,656,930)	(5,480,062)	(4,657,544)	176,868	3%
Companion Care, net	(62,918)	42,246	(105,163)	-249%	286,897	319,044	392,397	(32,147)	-10%
Net Operating Income (Loss)	(75,351)	18,820	10,993	58%	(4,233)	90,914	(403,283)	(95,147)	-105%
Net Operating Margin	-2%	0%			0%	0%	-1%		



ECS Obligated Group

Income Statement
For the Nine Months Ended Mar 31, 2024

	Current Month				Current Year		Prior Year	Variance to Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	Actual	\$	%
Non Operating Revenue									
Gain (Loss) on sale/disposal of assets	(34,598)	-	(34,598)	0%	(132,027)	-	(318,665)	(132,027)	0%
Gain (Loss) on bond refinancing/conversion	-	-	-	0%	-	-	556,610	-	0%
Contribution income	1,135	-	1,135	0%	148,965	-	175,377	148,965	0%
Miscellaneous income, net	(55,918)	(83,333)	27,415	-33%	(15,428)	(750,000)	(31,337)	734,572	98%
Amortization of entrance fees	387,315	433,649	(46,334)	-11%	4,609,696	3,902,843	3,641,981	706,853	18%
Total Non Operating Revenue	364,850	350,316	14,534	4%	4,928,989	3,152,843	4,215,817	1,776,146	56%
Non Operating Expenses									
Depreciation & amortization expense	1,204,279	1,146,965	57,314	5%	10,578,836	10,322,681	9,929,111	256,155	2%
Interest	229,422	197,836	31,586	16%	2,022,367	1,780,524	2,472,557	241,843	14%
Marketing - Expansion	28,975	19,602		0%	119,307	176,414	176,919	(57,107)	-32%
Exceptional Expenses	74,163	-		0%	74,163	-	527,133	74,163	0%
Total Non Operating Expenses	1,536,838	1,364,402	172,436	13%	12,794,674	12,279,619	13,105,720	515,054	4%
Adjusted Net Income (Loss)	(1,247,339)	(995,266)	(146,909)	15%	(7,869,918)	(9,035,862)	(9,293,187)	1,165,944	13%
Investment Return									
Dividends & interest (net)	420,145	190,861	229,284	120%	3,027,342	1,717,745	2,501,383	1,309,597	76%
Unrealized gains (losses)	1,915,405	95,430	1,819,974	1907%	6,819,288	858,874	4,480,396	5,960,414	694%
Realized gains (losses)	82,752	286,291	(203,539)	-71%	546,838	2,576,617	1,139,862	(2,029,779)	-79%
Total Investment Return (Net Fees)	2,418,301	572,582	1,616,435	282%	10,393,468	5,153,236	8,121,641	5,240,232	102%
Total Income (Loss)	1,170,962	(422,685)	1,593,647	-377%	2,523,550	(3,882,626)	(1,171,546)	6,406,176	165%

Budget Income Statement

ECS Obligated Group, All Departments



	Budget FY2025	Projected FY2024	Budget FY2024	\$ Var Projected	% Var Projected	\$ Var Prior Budget	% Var Prior Budget
OPERATING REVENUE							
Independent Living	39,388,446	36,939,596	37,415,028	2,448,850	7%	1,973,418	5%
Assisted Living	12,841,006	12,013,768	12,164,226	827,237	7%	676,779	6%
Total Operating Revenue	52,229,452	48,953,364	49,579,254	3,276,087	7%	2,650,198	5%
Operating Expenses							
Nursing Services	10,179,145	9,529,469	9,905,687	649,676	7%	273,458	3%
Residential Services	3,565,331	3,489,220	3,302,428	76,111	2%	262,903	8%
Environmental Services	7,301,700	7,033,390	7,079,781	268,311	4%	221,920	3%
Utilities	2,957,450	2,812,551	2,994,947	144,899	5%	(37,497)	-1%
Dining Services	11,686,330	11,052,702	10,940,882	633,628	6%	745,448	7%
Marketing	2,993,700	3,076,564	2,852,896	(82,864)	-3%	140,805	5%
Administrative	4,841,620	4,826,527	4,840,347	15,094	0%	1,273	0%
Shared Services	6,474,010	5,924,191	6,224,392	549,819	9%	249,618	4%
Property & Liability Insurance	1,870,106	1,618,896	1,480,383	251,210	16%	389,723	26%
Total Operating Expenses	51,869,393	49,363,508	49,621,743	2,505,885	5%	2,247,650	5%
Net Operating Income (Loss) before Companion Care	360,059	(410,144)	(42,489)	770,202	188%	402,547	947%
Companion Care							
Revenue	8,705,170	7,954,956	7,748,931	750,213	9%	956,239	12%
Expense	(7,948,455)	(7,539,057)	(7,300,104)	409,397	5%	648,351	9%
Companion Care, net	756,715	415,899	448,827	340,816	82%	307,888	69%
Net Operating Income (Loss)	1,116,773	5,755	406,338	1,111,018	19304%	710,435	175%
Net Operating Margin	2%	0%	1%	2%	18087%	1%	161%

Budget Income Statement

ECS Obligated Group, All Departments



	Budget FY2025	Projected FY2024	Budget FY2024	\$ Var Projected	% Var Projected	\$ Var Prior Budget	% Var Prior Budget
Non Operating Revenue							
Gain (Loss) on sale/disposal of assets	-	(168,563)	-	168,563	100%	-	0%
Contribution income	147,730	204,401	-	(56,671)	-28%	147,730	0%
Miscellaneous income, net	(200,000)	(245)	(1,000,000)	(199,755)	-81683%	800,000	80%
Amortization of entrance fees	7,738,226	6,193,089	5,203,791	1,545,138	25%	2,534,436	49%
Change in interest in net assets of related parties	-	411,858	-	(411,858)	-100%	-	0%
Total Non Operating Revenue	7,685,956	6,640,541	4,203,791	1,045,415	16%	3,482,166	83%
Non Operating Expenses							
Depreciation & amortization expense	13,127,556	14,094,295	13,763,575	(966,739)	-7%	(636,019)	-5%
Interest	2,604,203	2,694,722	2,374,032	(90,520)	-3%	230,171	10%
Marketing - Expansion	109,697	153,182	235,219	(43,484)	-28%	(125,522)	-53%
Exceptional Expenses	-	74,163	-				
Total Non Operating Expenses	15,841,456	17,016,362	16,372,826	(1,174,906)	-7%	(531,370)	-3%
Adjusted Net Income/Loss	(7,795,441)	(10,785,964)	(12,211,524)	2,990,524	28%	4,416,083	36%
Investment Return							
Dividends & interest (net)	3,178,000	4,005,041	2,290,327	(827,041)	-21%	887,673	39%
Unrealized gains (losses)	4,173,000	8,658,244	1,145,165	(4,485,244)	-52%	3,027,835	264%
Realized gains (losses)	835,000	720,871	3,435,490	114,129	16%	(2,600,490)	-76%
Total Investment Return (Net Fees)	8,186,000	13,384,156	6,870,982	(5,198,156)	-39%	1,315,018	19%
Total Income (Loss)	1,147,274	3,014,091	(4,891,715)	(1,866,816)	-62%	6,038,989	123%