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

ecs
The Art of Possibility

October 31, 2026

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, 2026

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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, 2026.

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, 2026, 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 Auditors' 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.

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 auditors' 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.

Baker Tilly US, LLP

Pasadena, California
October 7, 2026

Continuing Care Liquid Reserve Schedules

Episcopal Communities & Services for Seniors
Form 5–1
Long-Term Debt Incurred in Prior Fiscal Year
June 30, 2026

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	$ 1,550,000	$ 1,462,998		$ 3,012,998
2	11/15/22	1,315,000	1,000,156		2,315,156
3	01/24/24	-	5,058,075		5,058,075
4					$0
5					$0
6					$0
7					$0
8					$0
	TOTAL:	$ 2,865,000	$ 7,521,229	$ -	$ 10,386,229

(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, 2026

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, 2026

Line		TOTAL
1	Total from Form 5–1 bottom of Column (e)	$ 10,386,229
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:**	$ 10,386,229

PROVIDER: EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS

Episcopal Communities & Services for Seniors
Scripps Kensington
Form 5–4
Calculation of Net Operating Expenses
June 30, 2026

Line			Amounts	TOTAL
1		Total operating expenses from financial statements		$ 224,044
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	$ 33,494	
3		Total deductions		$ 33,494
4		Net operating expenses		$ 190,550
5		Divide Line 4 by 365 and enter the result.		$ 522
6		**Multiply Line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$ 39,150

PROVIDER: EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS

COMMUNITY: SCRIPPS KENSINGTON

Episcopal Communities & Services for Seniors
The Canterbury
Form 5–4
Calculation of Net Operating Expenses
June 30, 2026

Line			Amounts	TOTAL
1		Total operating expenses from financial statements		$ 22,182,090
2		Deductions:		
	a.	Interest paid on long-term debt (see instructions)	$ 1,000,067	
	b.	Credit enhancement premiums paid for long-term debt (see instructions)		
	c.	Depreciation	$ 3,149,935	
	d.	Amortization	$ 40,512	
	e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	$ 7,203,266	
	f.	Extraordinary expenses approved by the Department		
3		Total deductions		$ 11,393,780
4		Net operating expenses		$ 10,788,310
5		Divide Line 4 by 365 and enter the result.		$ 29,557
6		**Multiply Line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$ 2,216,775

PROVIDER: EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS

COMMUNITY: THE CANTERBURY

Episcopal Communities & Services for Seniors
The Covington
Form 5–4
Calculation of Net Operating Expenses
June 30, 2026

Line			Amounts	TOTAL
1		Total operating expenses from financial statements		$ 29,425,326
2		Deductions:		
	a.	Interest paid on long-term debt (see instructions)	$ 2,110,420	
	b.	Credit enhancement premiums paid for long-term debt (see instructions)		
	c.	Depreciation	$ 6,224,427	
	d.	Amortization	$ 66,119	
	e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	$ 778,450	
	f.	Extraordinary expenses approved by the Department		
3		Total deductions		$ 9,179,416
4		Net operating expenses		$ 20,245,910
5		Divide Line 4 by 365 and enter the result.		$ 55,468
6		**Multiply Line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$ 4,160,100

PROVIDER: EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS
COMMUNITY: THE COVINGTON

Episcopal Communities & Services for Seniors
MonteCedro
Form 5–4
Calculation of Net Operating Expenses
June 30, 2026

Line			Amounts	TOTAL
1		Total operating expenses from financial statements		$ 28,772,356
2		Deductions:		
	a.	Interest paid on long-term debt (see instructions)	$ 4,410,742	
	b.	Credit enhancement premiums paid for long-term debt (see instructions)		
	c.	Depreciation	$ 5,637,413	
	d.	Amortization	$ 103,316	
	e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	$ 413,719	
	f.	Extraordinary expenses approved by the Department		
3		Total deductions		$ 10,565,190
4		Net operating expenses		$ 18,207,166
5		Divide Line 4 by 365 and enter the result.		$ 49,883
6		**Multiply Line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$ 3,741,225

PROVIDER: EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS
COMMUNITY: MONTECEDRO

Episcopal Communities & Services for Seniors
Form 5–5
Annual Reserve Certification
June 30, 2026

Provider Name: EPISCOPAL COMMUNITIES & SERVICES FOR SENIORS
Fiscal Year Ended: 6/30/2026

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 6/30/2026 and are in compliance with those requirements.

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

		Amount
[1]	Debt Service Reserve Amount	$ 10,386,229
[2]	Operating Expense Reserve Amount	$ 10,157,250
[3]	**Total Liquid Reserve Amount:**	$ 20,543,479

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:

	Qualifying Asset Description	Debt Service Reserve	Operating Reserve
[4]	Cash and Cash Equivalents	$ 10,174,438	$ 248,016
[5]	Investment Securities		$ 151,300,421
[6]	Equity Securities		
[7]	Unused/Available Lines of Credit		
[8]	Unused/Available Letters of Credit		
[9]	Debt Service Reserve	$ 211,791	(not applicable)
[10]	Other:		
	Qualifying assets used in these reserves are described as follow:		

Total Amount of Qualifying Assets					
Listed for Reserve Obligation:	[11]	$ 10,386,229	[12]	$ 151,548,437
Reserve Obligation Amount:	[13]	$ 10,386,229	[14]	$ 10,157,250
Surplus/(Deficiency):	[15]	$ -	[16]	$ 141,391,187

Signature:

Date: 10/31/2026

(Authorized Representative)

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, 2026

Outsourced Facilities		
ATHERTON	$ 59,592	
CLAREMONT MANOR	50,056	
SOLHEIM	(3,835)	
Year-end adjustment for pre-billed rent	(10,850)	
Total outsourced facilities	94,963	
Ancillary	13,869	
Resident allowance	4,016	
Resident relations*	14,127	
Other programs and services	12,906	
General and administrative	83,625	
Banking fees	538	
Total operating expenses (Form 5–4, Line 1)	224,044	(a)

*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	93,124	
Lifecare Outside Facility – Benevolence	(59,630)	
Total extraordinary deduction (Form 5–4, Line 2f)	33,494	(b)
Net operating expenses (Form 5–4, Line 4)	$ 190,550	(a)–(b)

Episcopal Communities & Services for Seniors
Attachment to Form 5–4
Reconciliation of Net Operating Expenses – Scripps Kensington
June 30, 2026

Revenue	
Routine service revenue	$ 33,494
Total revenue	33,494
Operating expenses	
General and administrative	87,641
Program and special services	27,033
Ancillary	13,869
Outsourced resident rent	94,963
Banking fees	538
Total operating expenses (Form 5–4, Line 1)	224,044
Other expenses	
(Gain)/Loss from disc. operation	(186,103)
Operating income (loss)	$ (4,447)

* 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, 2026

	The Canterbury	The Covington	MonteCedro	Total
Series 2022A Interest Paid:				
Paid on 11/15/25	$ 53,326	$ 678,173	$ -	$ 731,499
Paid on 5/15/26	53,326	678,173	-	731,499
Series 2022B Interest Paid:				
Paid on 11/15/25	$ -	$ -	$ 509,579	$ 509,579
Paid on 5/15/26	-	-	490,577	490,577
Series 2024A Interest Paid:				
Paid on 11/15/25	$ -	$ -	$ 577,500	$ 577,500
Paid on 5/15/26	-	-	577,500	577,500
Series 2024B Interest Paid:				
Paid on 11/15/25	$ 446,707	$ 377,037	$ 1,127,793	$ 1,951,537
Paid on 5/15/26	446,708	377,037	1,127,793	1,951,538
Total Bond Interest Paid for FY 2026	$ 1,000,067	$ 2,110,420	$ 4,410,742	$ 7,521,229
Bond Interest Expense 7/1/25 - 6/30/26:	$ 105,539	$ 1,342,185	$ 995,405	$ 2,443,129
Bond Capitalized Interest 7/1/25 - 6/30/26:	821,445	693,329	3,135,845	4,650,619
Total Bond Interest Expensed & Capitalized For FY 2026	$ 926,984	$ 2,035,514	$ 4,131,250	$ 7,093,748

	The Canterbury	The Covington	MonteCedro	Total
Interest Expense per audited financial statements	$ 112,778	$ 1,342,185	$ 995,405	$ 2,450,368
Less: Interest Expense - Entrance Fees - FY 2026	(7,239)	-	-	(7,239)
Total Bond Interest Expense For FY 2026	$ 105,539	$ 1,342,185	$ 995,405	$ 2,443,129
Less: Total Accrued Interest Payable 6/30/26	(51,722)	(186,313)	(274,226)	(512,261)
Add: Interest Capitalized in FY 2026	821,445	693,329	3,135,845	4,650,619
Add: Total Accrued Interest Payable 6/30/25	124,805	261,219	553,718	939,742
Total Bond Interest Paid for FY 2026 (Form 5–4, Line 2a)	$ 1,000,067	$ 2,110,420	$ 4,410,742	$ 7,521,229

Episcopal Communities & Services for Seniors
Attachment to Form 5–4
Reconciliation of Revenue Received for Non-CCRC Residents
June 30, 2026

	Scripps Kensington	The Canterbury	The Covington	MonteCedro
Resident care fees, net	N/A	$ 13,572,236	$ 17,931,970	$ 19,396,705
Ancillary services	N/A	1,694,986	1,432,640	1,201,311
Miscellaneous income	N/A	11,740	21,536	93,236
Subtotal	N/A	15,278,962	19,386,146	20,691,252
Changes in:				
Accounts receivable	N/A	47,135	75,102	(5,327)
Deposits from residents	N/A	8,410	55,613	944,080
Deferred revenue	N/A	-	-	(16,172)
Subtotal	N/A	55,545	130,715	922,581
Total	N/A	15,334,507	19,516,861	21,613,833
Resident care fees, net per audited cash flow statements in '000s	N/A	15,335	19,517	21,614
Less changes in:				
Deposits from residents (refund)	N/A	(8,410)	(55,613)	(944,080)
Deferred Revenue (unrelated to residents revenue)	N/A	-	-	16,172
Total revenue received	N/A	15,326,097	19,461,248	20,685,925
Percentage allocated to non-CCRC residents per Form 1–1	N/A	47%	4%	2%
Revenue received from non-CCRC residents (Form 5–4, Line 2e)	N/A	$ 7,203,266	$ 778,450	$ 413,719
Miscellaneous income per audited financial statements		$ 65,911	$ 49,642	$ 929,190
Less: miscellaneous income (unrelated to resident revenue)		(54,171)	(28,106)	(835,954)
Miscellaneous income (related to resident revenue)		$ 11,740	$ 21,536	$ 93,236

Episcopal Communities & Services for Seniors
Attachment to Form 5–4
Required Disclosure Under Section 1790(a)(2)
June 30, 2026

Per Capita Cost of Operations	Scripps Kensington	The Canterbury	The Covington	MonteCedro	Total
Operating expenses (Form 5–4, Line 1)	$ 224,044	$ 22,182,090	$ 29,425,326	$ 28,772,356	$ 80,603,816
Mean # of all residents (Form 1–1, Line 10)	3.5	144.5	223.0	230.0	601.0
Per capita cost of operations	$ 64,013	$ 153,509	$ 131,952	$ 125,097	$ 134,116

Episcopal Communities & Services for Seniors
Attachment to Form 5–5
Description of Reserves
June 30, 2026

			Additional Comments
Total Qualifying Assets as Fields			
Cash and cash equivalents	$	10,422,454	
Investment securities		151,300,421	Investment securities are approximately 50% fixed income/50% equities.
Debt service reserve		211,791	Balance in Capitalized Interest Fund at 6/30/2026.
Total Qualifying Assets as Fields		161,934,666	

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CONTINUING CARE RETIREMENT COMMUNITY DISCLOSURE STATEMENT

Date Prepared: 10/31/2026

Facility Name: The Canterbury

Address: 5801 W Crestridge Rd, RPV | Zip Code: 90275 | Phone: (310) 541-2410

Provider Name:
Episcopal Communities and 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:	19
Apartments – 1 Bdrm:	46	Skilled Nursing:	
Apartments – 2 Bdrm:	49	Special Care:	9
Cottages/Houses:		Description:	Memory Care

RLU Occupancy (%) at Year End: 94.31%

Type of Ownership: ☑ Not for Profit ❑ For Profit

Accredited? ❑ Yes By: ☑ No

Form of Contact: (Check all that apply) ☑ Continuing Care ❑ Life Care ☑ Entrance Fee ☑ Fee for Service ❑ Assignment of Assets ❑ Equity ❑ Membership ❑ Rental

Refund Provisions: (Check all that apply) ☑ Refundable ❑ 90% ❑ 50% ☑ Repayable ❑ 75% ☑ Other: 1-80%; 2-36mo

Range of Entrance Fees: $168,683 - $830,734

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
Beauty/Barber Shop	☑	☑
Billiard Room	❑	❑
Bowling Green	❑	❑
Card Rooms	☑	❑
Chapel	☑	❑
Coffee Shop	☑	❑
Craft Rooms	☑	❑
Exercise Room	☑	❑
Golf Course Access	❑	❑
Library	☑	❑
Putting Green	☑	❑
Shuffleboard	❑	❑
Spa	❑	❑
Swimming Pool – Indoor	❑	❑
Swimming Pool – Outdoor	☑	❑
Tennis Court	❑	❑
Workshop	❑	❑
Other: _____	❑	❑

Services Available	Included in Fee	For Extra Charge
Housekeeping (_4__Times/ Month at $_____each)	☑	❑
Meals (1_/Day)	☑	❑
Special Diets Available	☑	❑
24-Hour Emergency Response	☑	❑
Activities Program	☑	❑
All Utilities Except Phone	☑	❑
Apartment Maintenance	☑	❑
Cable TV	☑	❑
Linens Furnished	☑	❑
Linens Laundered	☑	❑
Medication Management	❑	☑
Nursing/Wellness Clinic	☑	❑
Personal Home Care	❑	☑
Transportation – Personal	❑	☑
Transportation – Prearranged	☑	❑
Other: _____	❑	❑

Provider Name: Episcopal Communities and 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 and Services for Seniors

Income and Expenses [Year]	2023	2024	2025	2026
Income from Ongoing Operations Operating Income (Excluding amortization of entrance fee income)	$43.364,000	$57,015,000	$60,822,000	$64,027,000
Less Operating Expenses (Excluding depreciation, amortization, and interest)	(41,423,000)	(59,090,000)	(62,893,000)	(62,714,000)
Net Income From Operations	1,941,000	(2,075,000)	(2,071,000)	1,313,000
Less Interest Expense	(1,664,000)	(2,702,000)	(2,578,000)	(2,450,000)
Plus Contributions	155,000	155,000	248,000	493,000
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)	0	0	0	0
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization	432,000	(4,614,000)	(4,401,000)	(644,000)
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)	$6,749,000	$6,749,000	$9,194,000	$12,643,000

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	$46,575,000	3.04%	05/16/2022	05/15/2047	25 years
Pvt Investor Bonds 2022B	$33,950,000	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)*	2024	2025	2025
Debt to Asset Ratio		40.77%	38.26%	36.39%
Operating Ratio		89.59%	89.57%	80.13%
Debt Service Coverage Ratio		4.25	3.60	5.81
Days Cash On Hand Ratio		853.21	867.95	927.01

Provider Name: Episcopal Communities & Services for Seniors

Historical Monthly Service Fees *(Average Fee and Change Percentage)*

Residence/Service [Year]	2023	%	2024	%	2025	%	2026	%
~~Studio~~ Two Bedroom	$7,164	5.35	$7,085	5.0	$7,433	5.0	$7,809	5.0
One Bedroom	6,161	5.35	6,030	0.0	6,332	5.0	6,649	5.0
Cottage/House								
Assisted Living	12,757	8.0	13,395	5.0	13,283	3.0	9,502	5.0
Skilled Living	17,641	8.0	n/a		n/a			
Special Care	11,021	8.0	11,572	5.0	9,737	7.0	10,224	5.0

Comments from Provider:

1) Assisted Living average includes a High Acuity AL unit with a daily billing model until 2026 when those units were taken off line for major reconstruction.

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

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

Days Cash On Hand Ratio

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

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)	$6,332-8,451	4,200-20,075	9,550-11,573	n/a
2.	Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	5%	5%	5%	

☐ Check here if monthly care fees at this community were not 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: 07/01/2025
(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: 06/01/2025 **Method of Notice:** printed and/or emailed

☑ 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:** 05/14/2025

☑ 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:** 04/30/2025

☑ The Provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.
Date of Notice: 04/30/2025

☑ 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: 04/30/2025 **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: 04/30/2025 **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 all 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 2026
The Canterbury

Dollar Amounts in Thousands

Line	Fiscal Years	2024	2025	2026
1	FY 2024 Operating Expenses	$ (17,863)		
2	FY 2025 Operating Expenses (Adjustments, if any, Explained Below)		$ (18,979)	
3	Projected FY 2026 Results of Operations (Adjustments Explained Below)			$ (18,704)
4	FY 2026 Anticipated MCFI Revenue Based on Current and Projected Occupancy and Other without a MCFI			$ 16,976
5	Projected FY 2026 (Net) Operating Results without a MCFI (Line 3 plus Line 4)			$ (1,728)
6	Projected FY 2026 Anticipated Revenue Based on Current and Projected Occupancy and Other with MCFI 5%			$ 17,560
7	Grand Total - Projected FY 2026Net Operating Activity After 5% MCFI (Line 3 plus Line 6)			$ (1,144)

Monthly Care Fee Increase: 5%

Adjustments Explained:

FY 2024 to FY 2025

Operating Expenses reflect direct department expenses plus interest expense

FY 2025 to FY 2026

Labor Costs are approximately 62% of budgeted operating expenses 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 Independent Living, Assisted Living & Memory Care

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

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

CONTINUING CARE RETIREMENT COMMUNITY DISCLOSURE STATEMENT

Date Prepared: 10/31/2026

Facility Name: The Covington

Address: 3 Pursuit, Aliso Viejo | Zip Code: 92626 | Phone: (949) 389-8500

Provider Name:
Episcopal Communities and Services for Seniors

Facility Operator: Episcopal Communities and 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:	19
Apartments – 1 Bdrm:	60	Skilled Nursing:	
Apartments – 2 Bdrm:	71	Special Care:	10
Cottages/Houses:	24	Description:	Memory Care

RLU Occupancy (%) at Year End: 96.20%

Type of Ownership: ☑ Not for Profit ❑ For Profit

Accredited? ❑ Yes By: ☑ No

Form of Contact: (Check all that apply)
☑ Continuing Care ❑ Life Care ☑ Entrance Fee ☑ Fee for Service
❑ Assignment of Assets ❑ Equity ❑ Membership ❑ Rental

Refund Provisions: (Check all that apply)
☑ Refundable ❑ 90% ❑ 50%
☑ Repayable ❑ 75% ☑ Other: 1-80%; 2-36mo

Range of Entrance Fees: $346,359 - $1,859,375

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
Beauty/Barber Shop	❑	☑
Billiard Room	❑	❑
Bowling Green	❑	❑
Card Rooms	☑	❑
Chapel	☑	❑
Coffee Shop	☑	❑
Craft Rooms	☑	❑
Exercise Room	☑	❑
Golf Course Access	❑	❑
Library	☑	❑
Putting Green	☑	❑
Shuffleboard	❑	❑
Spa	☑	❑
Swimming Pool – Indoor	☑	❑
Swimming Pool – Outdoor	❑	❑
Tennis Court	❑	❑
Workshop	☑	❑
Other: _____	❑	❑

Services Available	Included in Fee	For Extra Charge
Housekeeping (_4__Times/ Month at $_____each)	☑	❑
Meals (1_/Day)	☑	❑
Special Diets Available	☑	❑
24-Hour Emergency Response	☑	❑
Activities Program	☑	❑
All Utilities Except Phone	☑	❑
Apartment Maintenance	☑	❑
Cable TV	☑	❑
Linens Furnished	☑	❑
Linens Laundered	☑	❑
Medication Management	❑	☑
Nursing/Wellness Clinic	☑	❑
Personal Home Care	❑	☑
Transportation – Personal	☑	☑
Transportation – Prearranged	☑	❑
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 and Services for Seniors

Income and Expenses [Year]	2023	2024	2025	2026
Income from Ongoing Operations Operating Income (Excluding amortization of entrance fee income)	$43.364,000	$57,015,000	$60,822,000	$64,027,000
Less Operating Expenses (Excluding depreciation, amortization, and interest)	(41,423,000)	(59,090,000)	(62,893,000)	(62,714,000)
Net Income From Operations	1,941,000	(2,075,000)	(2,071,000)	1,313,000
Less Interest Expense	(1,664,000)	(2,702,000)	(2,578,000)	(2,450,000)
Plus Contributions	155,000	163,000	248,000	493,000
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)	0	0	0	0
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization	432,000	(4,614,000)	(4,401,000)	(644,000)
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)	$6,749,000	$12,016,000	$9,194,000	$12,643,000

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	$46,575,000	3.04%	05/16/2022	05/15/2047	25 years
Pvt Investor Bonds 2022B	$33,950,000	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)*	2024	2025	2026
Debt to Asset Ratio		40.77%	38.26%	38.39%
Operating Ratio		89.59%	89.57%	80.13%
Debt Service Coverage Ratio		4.25	3.60	5.81
Days Cash On Hand Ratio		853.21	867.95	927.01

Provider Name: Episcopal Communities and Services for Seniors

Historical Monthly Service Fees *(Average Fee and Change Percentage)*

Residence/Service [Year]	2023	%	2023	%	2025	%	2026	%
Studio	$7,068	5.25	$7,422	5.00	$7,793	5.00	$8,221	5.50
One Bedroom	5,385	5.25	5,619	5.00	5,900	5.00	6,459	5.50
Cottage/House	8,448	5.25	8,914	5.00	9,359	5.00	9,874	5.50
Assisted Living	9,792	8.00	10,282	5.00	11,525	7.00	11,790	5.50
Skilled Living	16,714	5.25	n/a		n/a			
Special Care	9.395	8.00	9,865	5.00	11,182	7.00	11,796	5.50

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

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

Days Cash On Hand Ratio

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

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)	$5,950-10,679	8,725-12,015	10,853	n/a
2.	Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	5.5%	5.5%	5.5%	

☐ Check here if monthly care fees at this community were not 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: 07/01/2025
(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: 06/01/2025 **Method of Notice:** printed and/or emailed

☑ 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:** 05/15/2025

☑ 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:** 05/01/2025

☑ The Provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.
Date of Notice: 05/01/2025

☑ 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: 05/01/2025 **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: 05/01/2025 **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 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 5.5% at all 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 2026
The Covington

Dollar Amounts in Thousands

Line	Fiscal Years	2024	2025	2026
1	FY 2024 Operating Expenses	$ (23,305)		
2	FY 2025 Operating Expenses (Adjustments, if any, Explained Below)		$ (22,224)	
3	Projected FY 2026 Results of Operations (Adjustments Explained Below)			$ (23,115)
4	FY 2026 Anticipated MCFI Revenue Based on Current and Projected Occupancy and Other without a MCFI			$ 20,703
5	Projected FY 2026 (Net) Operating Results without a MCFI (Line 3 plus Line 4)			$ (2,411)
6	Projected FY 2026 Anticipated Revenue Based on Current and Projected Occupancy and Other with MCFI 5.5%			$ 21,623
7	Grand Total - Projected FY 2026Net Operating Activity After 5.5% MCFI (Line 3 plus Line 6)			$ (1,492)

Monthly Care Fee Increase: 5.5%

Adjustments Explained:

FY 2024 to FY 2025

Operating Expenses reflect direct department expenses plus interest expense

FY 2025 to FY 2026

Labor Costs are approximately 52% of budgeted operating expenses 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 5.5% for Independent Living, Assisted Living & Memory Care

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

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

CONTINUING CARE RETIREMENT COMMUNITY DISCLOSURE STATEMENT

Date Prepared: 10/31/2026

Facility Name: MonteCedro

Address: 2212 El Molino Ave Altadena | Zip Code: 91001 | Phone: (626) 788-4900

Provider Name:
Episcopal Communities and Services for Seniors

Facility Operator: Episcopal Communities and 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: 99.01%

Type of Ownership: ☑ Not for Profit ❑ For Profit

Accredited? ❑ Yes By: ☑ No

Form of Contact: (Check all that apply) ☑ Continuing Care ❑ Life Care ☑ Entrance Fee ☑ Fee for Service ❑ Assignment of Assets ❑ Equity ❑ Membership ❑ Rental

Refund Provisions: (Check all that apply) ☑ Refundable ❑ 90% ❑ 50% ☑ Repayable ❑ 75% ☑ Other: 1-80%; 2-36mo

Range of Entrance Fees: $402,607 - $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
Beauty/Barber Shop	❑	☑
Billiard Room	❑	❑
Bowling Green	☑	❑
Card Rooms	☑	❑
Chapel	☑	❑
Coffee Shop	☑	❑
Craft Rooms	☑	❑
Exercise Room	☑	❑
Golf Course Access	❑	❑
Library	☑	❑
Putting Green	❑	❑
Shuffleboard	❑	❑
Spa	☑	❑
Swimming Pool – Indoor	❑	❑
Swimming Pool – Outdoor	☑	❑
Tennis Court	❑	❑
Workshop	❑	❑
Other: _____	❑	❑

Services Available	Included in Fee	For Extra Charge
Housekeeping (_2__Times/ Month at $_____each)	☑	☑
Meals (__/Day)	☑	☑
Special Diets Available	☑	❑
24-Hour Emergency Response	☑	❑
Activities Program	☑	❑
All Utilities Except Phone	☑	❑
Apartment Maintenance	☑	❑
Cable TV	☑	❑
Linens Furnished	❑	❑
Linens Laundered	❑	☑
Medication Management	❑	☑
Nursing/Wellness Clinic	☑	❑
Personal Home Care	❑	☑
Transportation – Personal	☑	☑
Transportation – Prearranged	☑	☑
Other: _____	❑	❑

Provider Name: Episcopal Communities and 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 and Services for Seniors

Income and Expenses [Year]	2023	2023	2025	2026
Income from Ongoing Operations Operating Income (Excluding amortization of entrance fee income)	$43.364,000	$57,015,000	$60,822,000	$64,027,000
Less Operating Expenses (Excluding depreciation, amortization, and interest)	(41,423,000)	(59,090,000)	(62,893,000)	(62,714,000)
Net Income From Operations	1,941,000	(2,075,000)	(2,071,000)	1,313,000
Less Interest Expense	(1,664,000)	(2,702,000)	(2,578,000)	(2,450,000)
Plus Contributions	155,000	163,000	248,000	493,000
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)	0	0	0	0
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization	432,000	(4,614,000)	(4,401,000)	(644,000)
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)	$6,749,000	$12,016,000	$9,194,000	$12,643,000

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	$46,575,000	3.04%	05/16/2022	05/15/2047	25 years
Pvt Investor Bonds 2022B	$33,950,000	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)*	2024	2025	2025
Debt to Asset Ratio		40.77%	38.26%	36.39%
Operating Ratio		89.59%	89.57%	80.13%
Debt Service Coverage Ratio		4.25	3.60	5.81
Days Cash On Hand Ratio		853.21	867.95	927.01

Provider Name: Episcopal Communities and Services for Seniors

Historical Monthly Service Fees *(Average Fee and Change Percentage)*

Residence/Service [Year]	2023	%	2024	%	2025	%	2026	%
~~Studio~~ Two Bedroom	$7,486	4.9	$7,792	4.0	$7,792	5.0	$8.591	5.0
One Bedroom	5,870	4.9	5,637	4.0	5,919	5.0	6,215	5.0
~~Cottage/House~~ Three Bdrm	9,658	4.9	10,040	4.0	10,542	5.0	11,069	5.0
Assisted Living								
Skilled Living								
Special Care	9,169	4.9	9,531	4.0	10,709	7.0	11,245	5.0

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

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

Days Cash On Hand Ratio

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

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)	$5,280-11,069	n/a	10,707	n/a
2.	Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	5%		5%	

☐ Check here if monthly care fees at this community were not 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: 07/01/2025
(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: 06/01/2025 **Method of Notice:** printed and/or emailed

☑ 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:** 05/13/2025

☑ 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:** 04/29/2025

☑ The Provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.
Date of Notice: 04/29/2025

☑ 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: 04/29/2025 **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: 04/29/2025 **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 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 all 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 2026
MonteCedro

Dollar Amounts in Thousands

Line	Fiscal Years	2024	2025	2026
1	FY 2024 Operating Expenses	$ (20,265)		
2	FY 2025 Operating Expenses (Adjustments, if any, Explained Below)		$ (24,010)	
3	Projected FY 2026 Results of Operations (Adjustments Explained Below)			$ (26,749)
4	FY 2026 Anticipated MCFI Revenue Based on Current and Projected Occupancy and Other without a MCFI			$ 21,796
5	Projected FY 2026 (Net) Operating Results without a MCFI (Line 3 plus Line 4)			$ (4,954)
6	Projected FY 2026 Anticipated Revenue Based on Current and Projected Occupancy and Other with MCFI 5%			$ 22,684
7	Grand Total - Projected FY 2026Net Operating Activity After 5% MCFI (Line 3 plus Line 6)			$ (4,066)

Monthly Care Fee Increase: 5%

Adjustments Explained:

FY 2024 to FY 2025

Operating Expenses reflect direct department expenses plus interest expense

FY 2025 to FY 2026

Labor Costs are approximately 47% 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 Independent Living and 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.