



800 n. brand blvd  
19<sup>th</sup> floor  
glendale, ca 91203  
tel 818 254 4100  
fax 818 254 4101

August 12, 2024

This Continuing Disclosure Quarterly Report is being provided by Front Porch Communities and Services (“Front Porch”) in connection with the following bond issues (the “Bonds”):

- \$100,040,000 California Statewide Communities Development Authority Revenue Bonds (Front Porch Communities and Services), Series 2017A
- \$305,565,000 California Statewide Communities Development Authority Revenue Bonds (Front Porch Communities and Services), Series 2021A and Series 2021B

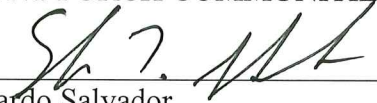
### **Continuing Disclosure Quarterly Report**

Front Porch’s Continuing Disclosure Quarterly Report (the “Quarterly Report”) is attached hereto and contains the unaudited consolidated financial statements of Front Porch and affiliates for the fiscal quarter ended June 30, 2024. As required by the continuing disclosure certificates for the Bonds, the “obligated persons” (as defined in the Rule) as of the date of this Quarterly Report are Front Porch Communities and Services (the Corporation).

This Quarterly Report is provided solely pursuant to the continuing disclosure certificates relating to the above-referenced Bonds. The filing of this Quarterly Report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial, operating or other information about Front Porch or the Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the fiscal quarter to which this Quarterly Report relates (other than as contained in this Quarterly Report), or any other date specified with respect to any of the information contained in this Quarterly Report, or that no other information exists, which may have a bearing on the security for the Bonds, or an investor’s decision to buy, sell, or hold the Bonds.

The information contained in this Quarterly Report has been obtained from sources which are believed to be reliable. No statement in this Quarterly Report should be construed as a prediction or representation about future financial performance of Front Porch.

FRONT PORCH COMMUNITIES AND SERVICES

By:   
Eduardo Salvador  
Chief Financial Officer



**Front Porch Consolidated Statements of Operations**  
(in thousands)

	<b>Three Months Ended June 30, 2024</b> <b>(unaudited consolidated)</b>
<b>Revenues, Gains and Other Support Without Donor Restrictions</b>	
Resident and patient service revenue	\$84,354
Amortization of entrance fees	9,678
Affordable housing fees and rents	8,141
Other	597
Contributions	13
Net assets released from restriction used for operations	883
Total revenues, gains and other support without donor restrictions	<hr/> 103,665
<b>Expenses</b>	
Medical services	20,259
Communities operating costs	11,572
Dietary services	15,744
Residential services	9,189
Administrative services	22,030
Program expenses	607
Depreciation	20,456
Amortization of deferred costs	63
Interest expense and other financing costs	3,256
Other	2,303
Total operating expenses	<hr/> 105,479
<b>Operating Income (Loss) Before Other Operating Charges</b>	<hr/> (1,814)
<b>Other Operating Charges</b>	
Amortization of acquired intangibles asset and other	(2,647)
Total other operating charges	<hr/> (2,647)
<b>Operating Gain (Loss)</b>	(4,462)
<b>Nonoperating Items</b>	
Investment return, net	3,644
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<hr/> (818)
<b>Increase (Decrease) in Net Assets Without Donor Restrictions</b>	<hr/> <hr/> <b>(818)</b>



**Front Porch Consolidated Statements of Changes in Net Assets**  
(in thousands)

**Three Months Ended June 30, 2024**

**Net Assets Without Donor Restrictions**

Excess (Deficiency) of revenues over expenses (818)

Increase (Decrease) in net assets without donor restrictions (818)

**Net Assets With Donor Restrictions**

Contributions received and investment return 1,058

Net assets released from restriction used for operations (883)

Increase (Decrease) in net assets with donor restrictions 175

**Change in Net Assets (642)**

**Net Assets, Beginning of the quarter 1,025,845**

**Net Assets, End of the quarter \$1,025,203**



**Front Porch Consolidated Balance Sheets**  
(in thousands)

As of June 30, 2024  
(unaudited consolidated)

**Assets**

**Current Assets**

Cash and cash equivalents	\$96,974
Short-term investments	3,571
Assets limited as to use - required for current liabilities	210
Resident and patient accounts receivable	11,038
Prepaid expenses and other	18,984
Other receivables	2,168
Total current assets	132,945

**Investments**

Assets limited as to use, net of current portion	61,799
Investments held in trust	545
Long-term investments	420,109
Total investments	482,453

**Property and Equipment, Net**

1,244,341

**Other Assets**

Receivables from supporting organizations	810
ROU assets - operating leases	7,487
Other receivables	378
Other assets	62,321
Total other assets	70,995

**Total assets**

**\$1,930,734**

**Liabilities and Net Assets**

**Current Liabilities**

Current maturities of long-term debt	\$9,247
Current portion of operating leases	1,567
Accounts payable	15,449
Accrued payroll and related expenses	20,915
Intercompany payables	1,488
Accrued interest	3,322
Other accrued expenses	26,031
Total current liabilities	78,020

Asset retirement obligation	1,662
Accrued workers compensation	5,320
Operating lease liabilities	6,373
Other accrued liabilities	11,625
Liabilities for payments to trust benefit	4,956
Refundable entrance fees	121,053
Deferred revenue from entrance fees	239,624
Long-term debt	436,899
Total liabilities	905,531

**Net Assets:**

Without donor restrictions	987,003
With donor restrictions	38,200
Total net assets	1,025,203

**Total liabilities and net assets**

**\$1,930,734**



## Average Available Units / Beds by Community

Three Months Ended June 30, 2024

Community Name	Residential	Memory	Care
	Living	Care	Centers
Canterbury Woods	141	**	24
Carlsbad By The Sea	160	**	33
Casa de Manana	188	**	**
Cecil Pines	92	**	**
Claremont Manor	225	17	59
El Sombroso Oaks	22	**	**
England Oaks	182	**	**
Fredericka Manor	246	44	**
Friends House	85	**	**
Kingsley Manor	203	**	**
San Francisco Towers	252	12	27
Spring Lake Village	346	11	70
St. Paul's Towers	214	7	43
Sunny View	93	23	48
Villa Gardens	195	19	54
Vista del Monte	169	24	**
Walnut Village	156	14	**
Webster House	38	**	93
Wesley Palms	293	22	**
<b>Consolidated Total</b>	<b>3,300</b>	<b>193</b>	<b>451</b>

\*\* Not applicable



## Average Occupancy by Community

Three Months Ended June 30, 2024

Community Name	Residential	Memory	Care
	Living	Care	Centers
Canterbury Woods	83.7%	**	52.9%
Carlsbad By The Sea	97.9%	**	83.9%
Casa de Manana	94.8%	**	**
Cecil Pines	98.9%	**	**
Claremont Manor	88.3%	94.1%	83.6%
El Sombroso Oaks	95.5%	**	**
England Oaks	96.3%	**	**
Fredericka Manor	81.8%	55.2%	**
Friends House	84.4%	**	**
Kingsley Manor	90.0%	**	**
San Francisco Towers	88.9%	100.0%	60.4%
Spring Lake Village	93.3%	93.6%	59.0%
St. Paul's Towers	90.3%	100.0%	62.8%
Sunny View	92.5%	100.0%	75.6%
Villa Gardens	97.6%	98.4%	73.5%
Vista del Monte	96.6%	86.3%	**
Walnut Village	85.7%	80.7%	**
Webster House	86.1%	**	63.4%
Wesley Palms	81.5%	98.6%	**
<b>Consolidated Total</b>	<b>90.3%</b>	<b>85.5%</b>	<b>68.6%</b>

\*\* Not applicable



## Care Center Payor Mix

<b>Payor</b>	<b>Three Months Ended June 30, 2024</b>
Private Pay	33.8%
Medi-Cal	30.1%
Medicare	29.4%
Managed Care	6.7%
<b>Total</b>	<b>100.0%</b>



## Management's Discussion

### Unaudited Results of Operations <sup>(1)</sup> – Consolidated: Q1 FY25

Residential Living average occupancy was 90.3% for the quarter. All nineteen communities were above 80% with eleven exceeding 90%. The average unit capacity for the quarter was 3,300 units.

Summer House average occupancy was 85.5% for the quarter. Memory care continues to be strong and steady. Nine communities were above 80% with seven exceeding 90%. Fredericka Manor's occupancy has been impacted by the opening of Summer House West, which added 22 units of capacity and is not expected to be stabilized until Q3. The average unit capacity for the quarter was 193 units.

Care Center average occupancy was 68.6% for the quarter. The care center business continues to be evaluated for options. The payor mix breakdown were as follows: Private Pay 33.8%, Medi-Cal 30.1%, Medicare 29.4%, and Managed Care 6.7%. The average available beds for the quarter were 451.

Resident and patient service revenue accounted for \$84.4M (81%), amortization revenue \$9.7M (9%), affordable housing revenue \$8.1M (8%), and other revenues \$1.5M (2%) of the total \$103.7M for the quarter. Total expenses were \$105.5M. The largest contributors were Administrative services, Medical services, and depreciation. Operating Loss Before Other Operating Charges were \$1.8M.

#### Note:

- (1) Front Porch refers to independent and assisted living units as “Residential Living” units. Memory support units are collectively referred to by the brand name “Summer House®.” Skilled-nursing beds are collectively referred to as “Care Center” beds.

### Unaudited Balance sheet – Consolidated: June 30, 2024

Total assets were \$1,930.7M at June 30, 2024. Cash and cash equivalents plus short-term investments were \$100.5M. Long-term investments and Property and Equipment, net were \$420.1M and \$1,244.3M, respectively. On the liabilities side refundable entrance fees were \$121.1M and deferred revenue from entrance fees were \$239.6M. Long-term debt was \$436.9M. Total change in Net Assets Without Donor Restrictions were a decrease of 818.0M for the quarter ended June 30, 2024.