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November 14, 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 September 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)

Three Months Ended September 30, 2024
(unaudited consolidated)

Revenues, Gains and Other Support Without Donor Restrictions

Resident and patient service revenue	\$85,447
Amortization of entrance fees	9,736
Affordable housing fees and rents	8,331
Other	963
Contributions	13
Net assets released from restriction used for operations	922
Total revenues, gains and other support without donor restrictions	105,413

Expenses

Medical services	21,207
Communities operating costs	13,569
Dietary services	16,271
Residential services	9,638
Administrative services	21,792
Program expenses	669
Depreciation	21,522
Amortization of deferred costs	56
Interest expense and other financing costs	3,259
Other	2,317
Total operating expenses	110,299

Operating Income (Loss) Before Other Operating Charges

(4,886)

Other Operating Charges

Amortization of acquired intangibles asset and other	(2,647)
Total other operating charges	(2,647)

Operating Gain (Loss)

(7,534)

Nonoperating Items

Investment return, net	26,279
Non-operating gain (loss)	\$125

Excess (Deficiency) of Revenues Over Expenses

18,870

Net assets released for capital	13
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Increase (Decrease) in Net Assets Without Donor Restrictions

\$18,883



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

Three Months Ended September 30, 2024

Net Assets Without Donor Restrictions

Excess (Deficiency) of revenues over expenses	\$18,870
Net assets released from restrictions for capital expenditures	\$13

Increase (Decrease) in net assets without donor restrictions	18,883
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Net Assets With Donor Restrictions

Contributions received and investment return	2,360
Net assets released from restriction used for operations	(922)
Net assets released from restrictions for capital expenditures	(13)

Increase (Decrease) in net assets with donor restrictions	1,425
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Change in Net Assets	20,308
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Net Assets, Beginning of the quarter	1,025,203
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Net Assets, End of the quarter	\$1,045,510
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Front Porch Consolidated Balance Sheets
(in thousands)

As of September 30, 2024
(unaudited consolidated)

Assets

Current Assets

Cash and cash equivalents	\$99,787
Short-term investments	4,882
Assets limited as to use - required for current liabilities	6,649
Resident and patient accounts receivable	9,392
Prepaid expenses and other	17,848
Other receivables	1,985
Total current assets	140,542

Investments

Assets limited as to use, net of current portion	58,524
Investments held in trust	538
Long-term investments	428,980
Total investments	488,041

Property and Equipment, Net

1,253,046

Other Assets

Receivables from supporting organizations	810
ROU assets - operating leases	15,634
Other receivables	430
Other assets	58,845
Total other assets	75,719

Total assets

\$1,957,349

Liabilities and Net Assets

Current Liabilities

Current maturities of long-term debt	\$9,142
Current portion of operating leases	1,567
Accounts payable	14,280
Accrued payroll and related expenses	16,467
Intercompany payables	1,026
Accrued interest	6,556
Other accrued expenses	26,722
Total current liabilities	75,760

Asset retirement obligation	1,662
Accrued workers compensation	5,320
Operating lease liabilities	14,703
Other accrued liabilities	11,224
Liabilities for payments to trust benefit	4,949
Refundable entrance fees	123,804
Deferred revenue from entrance fees	237,808
Long-term debt	436,608
Total liabilities	911,839

Net Assets:

Without donor restrictions	1,005,886
With donor restrictions	39,624
Total net assets	1,045,510

Total liabilities and net assets

\$1,957,349



Average Available Units / Beds by Community

Three Months Ended September 30, 2024

Community Name	Residential Living	Memory Care	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	162	44	**
Webster House	38	**	93
Wesley Palms	293	22	**
Consolidated Total	3,306	223	451

** Not applicable



Average Occupancy by Community

Three Months Ended September 30, 2024

Community Name	Residential	Memory	Care
	Living	Care	Centers
Canterbury Woods	88.4%	**	65.4%
Carlsbad By The Sea	98.8%	**	87.9%
Casa de Manana	92.9%	**	**
Cecil Pines	99.2%	**	**
Claremont Manor	91.9%	98.2%	79.2%
El Sombroso Oaks	95.5%	**	**
England Oaks	95.2%	**	**
Fredericka Manor	83.5%	67.5%	**
Friends House	86.2%	**	**
Kingsley Manor	90.0%	**	**
San Francisco Towers	89.8%	100.0%	64.1%
Spring Lake Village	94.4%	79.1%	64.3%
St. Paul's Towers	89.1%	90.0%	65.1%
Sunny View	91.7%	95.7%	80.6%
Villa Gardens	95.9%	98.4%	75.4%
Vista del Monte	94.9%	94.6%	**
Walnut Village	85.8%	23.4%	**
Webster House	87.6%	**	64.5%
Wesley Palms	82.6%	98.6%	**
Consolidated Total	90.8%	75.7%	71.2%

** Not applicable



Care Center Payor Mix

Payor	Three Months Ended September 30, 2024
Private Pay	33.6%
Medi-Cal	28.1%
Medicare	32.1%
Managed Care	6.2%
Total	100.0%



Management's Discussion

Unaudited Results of Operations ⁽¹⁾ – Consolidated: Q2 FY25

Residential Living average occupancy was 90.8% for the quarter. All nineteen communities were above 80% with eleven exceeding 90%. The average unit capacity for the quarter was 3,306 units.

Summer House average occupancy was 75.7% for the quarter. Memory care continues to be strong and steady. Seven communities exceeded 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 stable until Q3. The average unit capacity for the quarter grew to 223 units due to Walnut Village increasing their capacity by 44 units.

Care Center average occupancy was 71.2% for the quarter. The care center business continues to be evaluated for options. The payor mix breakdown were as follows: Private Pay 33.6%, Medi-Cal 28.1%, Medicare 32.1%, and Managed Care 6.2%. The average available beds for the quarter were 451.

Resident and patient service revenue accounted for \$85.4M (81%), amortization revenue \$9.7M (9%), affordable housing revenue \$8.3M (8%), and other revenues \$2.0M (2%) of the total \$105.4M for the quarter. Total expenses were \$110.3M. The largest contributors were Administrative services, Medical services, and depreciation. Operating Loss Before Other Operating Charges were \$4.9M.

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: September 30, 2024

Total assets were \$1,957.3M at September 30, 2024. Cash and cash equivalents plus short-term investments were \$104.7M. Long-term investments and Property and Equipment, net were \$429.0M and \$1,253.0M, respectively. On the liabilities side refundable entrance fees were \$123.8M and deferred revenue from entrance fees were \$238.8M. Long-term debt was \$436.6M. Total change in Net Assets Without Donor Restrictions were an increase of 18.9M for the quarter ended September 30, 2024.