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August 12, 2025

This Continuing Disclosure Annual Report is being provided by Front Porch Communities and Services (“Corporation”) 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

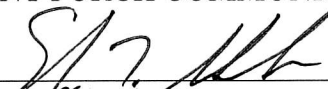
Continuing Disclosure Annual Report

Front Porch’s Continuing Disclosure Annual Report (the “Annual Report”) is attached hereto and contains the audited consolidated financial statements of Front Porch and affiliates for the fiscal year ended March 31, 2025. As required by the continuing disclosure certificates for the Bonds, the “obligated persons” (as defined in the Rule) as of the date of this Annual Report are Front Porch Communities and Services (the Corporation).

This Annual Report is provided solely pursuant to the continuing disclosure certificates relating to the above-referenced Bonds. The filing of this Annual 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 year to which this Annual Report relates (other than as contained in this Annual Report), or any other date specified with respect to any of the information contained in this Annual 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 Annual Report has been obtained from sources which are believed to be reliable. No statement in this Annual 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)

	Twelve months ended March 31, 2025
Revenues, Gains and Other Support Without Donor Restrictions	
Resident and patient service revenue	\$338,751
Amortization of entrance fees	39,626
Affordable housing fees and rents	33,006
Other	2,060
Net assets released from restriction used for operations	4,461
Total revenues, gains, and other support without donor restrictions	417,904
Expenses	
Medical services	82,237
Facility operating costs	51,998
Dietary services	65,087
Residential services	38,072
Administrative services	90,475
Depreciation	87,545
Amortization of deferred costs	249
Interest expense and other financing costs	13,010
Program expenses	2,355
Other	10,685
Total expenses	441,713
Operating Income (Loss) Before Other Operating Activities	(23,809)
Other Operating Activities	
Amortization of acquired intangible assets and other	(10,589)
Loss on sale of property	(1,878)
Total other operating activities	(12,467)
Operating Loss	(36,276)
Other Income (Expense)	
Investment return, net	24,477
Other components of net periodic benefit costs	252
Gain (loss) on impairment of predevelopment costs	125
Settlement losses	(3,060)
Total other income (expense)	21,794
Excess (Deficiency) of Revenues Over Expenses	(14,482)
Net Assets Released from Restrictions Used for Purchase of Property and Equipment	22
Change in Pension Benefit Obligation	(1,304)
Increase (Decrease) in Net Assets Without Donor Restrictions	(\$15,764)



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

	<u>Twelve months ended March 31, 2025</u>
Net Assets Without Donor Restrictions	
Excess (deficiency) of revenues over expenses	(14,482)
Change in pension benefit obligation	(1,304)
Net assets released from restrictions used for purchase of property and equipment	22
Increase (decrease) in net assets without donor restrictions	<u>(15,764)</u>
Net Assets With Donor Restrictions	
Contributions received and investment return	5,366
Changes in split interest gift agreements	214
Change in beneficial interest in perpetual trusts and annuities	1
Net assets released from restrictions used for operations	(4,461)
Net assets released from restrictions used for purchase of property and equipment	(22)
Increase (Decrease) in net assets with donor restrictions	<u>1,098</u>
Change in Net Assets	(14,666)
Net Assets, Beginning of Year	1,025,846
Net Assets, End of Year	<u>1,011,180</u>



Front Porch Consolidated Balance Sheets
(in thousands)

	<u>As of March 31, 2025</u>
Assets	
Current Assets	
Cash and cash equivalents	\$95,660
Short-term investments	6,611
Assets limited as to use - required for current liabilities	15,443
Resident and patient accounts receivable	12,471
Prepaid expenses and other	18,559
Total current assets	<u>148,744</u>
Investments	
Assets limited as to use, net of current portion	58,896
Long-term investments	397,408
Total investments	<u>456,304</u>
Property and Equipment, Net	<u>1,262,260</u>
Other Assets	
Receivables from supporting organization	803
ROU assets - operating leases	14,630
Other receivables	386
Other assets	13,962
In-place leases	33,680
Net pension asset	5,760
Total other assets	<u>69,221</u>
Total assets	<u><u>\$1,936,529</u></u>
Liabilities and Net Assets	
Current Liabilities	
Current maturities of long-term debt	\$9,348
Current portion of operating lease liabilities	2,095
Accounts payable	21,908
Accrued payroll and related expenses	19,554
Accrued interest	6,555
Other accrued expenses	24,707
Total current liabilities	<u>84,167</u>
Other Liabilities	
Asset retirement obligations	1,626
Accrued workers' compensation	5,559
Operating lease liabilities	13,808
Other accrued liabilities	14,922
Refundable entrance fees	124,789
Deferred revenue from entrance fees	244,969
Long-term debt	435,509
Total liabilities	<u>925,349</u>
Net Assets	
Without donor restrictions	972,059
With donor restrictions	39,121
Total net assets	<u>1,011,180</u>
Total liabilities and net assets	<u><u>\$1,936,529</u></u>



Average Available Units / Beds by Community

Community Name	Twelve Months Ended March 31, 2025		
	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	161	37	**
Webster House	38	**	93
Wesley Palms	293	22	**
Consolidated Total	3,305	216	451

* England Oaks lease discontinued on October 31, 2024.

** Not applicable



Average Occupancy by Community

Community Name	Twelve Months Ended March 31, 2025		
	Residential	Memory	Care
	Living	Care	Centers
Canterbury Woods	86.7%	**	65.8%
Carlsbad By The Sea	98.5%	**	85.2%
Casa de Manana	92.4%	**	**
Cecil Pines	99.0%	**	**
Claremont Manor	90.8%	95.9%	70.0%
El Sombroso Oaks	94.5%	**	**
England Oaks*	55.8%	**	**
Fredericka Manor	84.3%	73.0%	**
Friends House	86.5%	**	**
Kingsley Manor	90.0%	**	**
San Francisco Towers	90.7%	98.3%	61.9%
Spring Lake Village	94.2%	73.6%	61.9%
St. Paul's Towers	89.2%	82.9%	61.6%
Sunny View	93.3%	96.1%	75.0%
Villa Gardens	94.9%	98.9%	74.3%
Vista del Monte	94.3%	92.9%	**
Walnut Village	88.4%	32.1%	**
Webster House	89.7%	**	59.0%
Wesley Palms	83.4%	97.3%	**
Consolidated Total	88.7%	79.1%	67.1%

* England Oaks lease discontinued on October 31, 2024.

** Not applicable



Care Center Payor Mix

Payor	Twelve months ended March 31, 2025
Private Pay	33.3%
Medi-Cal	28.5%
Medicare	33.3%
Managed Care	4.9%
Total	100.0%



Debt Service Coverage Ratios - Obligated Group
(in thousands)

Twelve months ended March 31, 2025

Excess of Revenues over Expenses	(24,660)
Additions:	
Depreciation	81,687
Amortization of deferred costs	193
Interest expense	11,633
Entrance fees received	61,612
Unrealized losses (gains)	34,648
Amortization of acquired intangible assets and other	10,589
Deductions:	
Refunds of entrance fees	(16,095)
Amortization of entrance fees	(39,626)
Other components of net periodic benefit costs	(252)
Gain on impairment of predevelopment costs	(125)
Total Income Available for Debt Service	119,603
Debt Service Requirement	
Principal Payments of Long Term Debt	8,730
Interest Expense	11,633
Annual Debt Service	20,363
Debt Service Coverage ratios	5.87
MADS ⁽¹⁾	25,618
MADS Coverage Ratio	4.67

⁽¹⁾MADS (Maximum Annual Debt Service) is calculated per the Amended and Restated MTI, which smooths total debt (\$369.1M) over 30 years at Revenue Bond Index (5.58% as of 7/24/25).



Days Cash on Hand
(in thousands)

	<u>Twelve months ended March 31, 2025</u>
Cash and Cash Equivalents	95,660
Short Term Investments	6,611
Long Term Investments	397,408
	<hr/>
Total Unrestricted Cash & Investments	499,679
Operating Expenses before Other Operating Charges	441,713
Less: Depreciation	(87,545)
Less: Amortization of Deferred Cost	(249)
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Operating Expenses less Depreciation and Amortization of Deferred Cost	353,919
Divided Number of Days Per Year	365
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Daily Average Operating Expenses excluding Depreciation and Amortization	970
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Days Cash on Hand	515
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Cash to Debt
(in thousands)

Twelve months ended March 31, 2025

Cash and Cash Equivalents	95,660
Short Term Investments	6,611
Long Term Investments	397,408
Total Unrestricted Cash & Investments	<u>499,679</u>
Long-Term Indebtedness	444,857
Cash to Debt Ratio	<u><u>1.12</u></u>



Management's Discussion

Results of Operations⁽¹⁾ – Consolidated: Fiscal Year 2025

Residential Living occupancy was 88.7% for the fiscal year ended March 31, 2025. Eighteen out of nineteen communities were above 80% with eleven above 90%. The average capacity for the year was 3,305 units.

Summer House occupancy was 79.1% for the fiscal year. Added capacity in Fredericka Manor by 22 units and Walnut Village by 30 units, contributed to a lower overall occupancy percentage. With positive outlook, memory care demonstrated growth and strength throughout Front Porch. Seven out of ten communities were above 80%, with six exceeding 90%. The average capacity for the year was 216 units.

Care Center occupancy was 67.1% for the fiscal year. The care center business continues to be a challenge as options are weighed. One of nine care centers were above 80% occupancy. The payor mix breakdown were as follows: Private Pay 33.3%, Medi-Cal 28.5%, Medicare 33.3%, and Managed Care 4.9%. The average available beds for the year was 451.

Resident and patient service revenue accounted for \$338.8M (81%), amortization revenue \$39.6M (9%), affordable housing revenue \$33.0M (8%), and other revenues \$6.5M (2%) of the total \$417.9M. Total expenses were \$441.7M. The largest contributors were Medical services, Administrative services, and depreciation. Operating Loss Before Other Operating Activities was \$23.8M.

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.

Balance sheet – Consolidated: March 31, 2025

Total assets were \$1,936.5M at March 31, 2025. Cash and cash equivalents plus short-term investments were \$102.3M. Long-term investments and Property and Equipment, net were \$397.4M and \$1,262.3M respectively. On the liabilities side, refundable entrance fees were \$124.8M and deferred revenue from entrance fees was \$244.0M. Long-term debt was \$435.5M. Total change in Net Assets Without Donor Restrictions was a decrease of 15.8M for the fiscal year ended March 31, 2025.