



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

November 10, 2025

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, 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 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
For Quarter and Year-to-Date Period Ended September 30, 2025
(in thousands)

	<u>Current Quarter</u> (unaudited)	<u>Year-to-Date</u> (unaudited)
Revenues, Gains and Other Support Without Donor Restrictions		
Resident and patient service revenue	92,078	182,100
Amortization of entrance fees	10,246	19,663
Affordable housing fees and rents	8,390	16,728
Other	536	1,189
Contributions	18	30
Net assets released from restriction used for operations	1,151	2,316
Total revenues, gains and other support without donor restrictions	<u>112,419</u>	<u>222,028</u>
Expenses		
Medical services	21,918	42,975
Communities operating costs	14,596	28,609
Dietary services	17,812	34,849
Residential services	9,781	19,459
Administrative services	24,163	48,144
Program expenses	798	1,647
Depreciation	25,373	50,046
Amortization of deferred costs	63	118
Interest expense and other financing costs	3,198	6,392
Other	2,245	4,654
Total operating expenses	<u>119,946</u>	<u>236,893</u>
Operating Income (Loss) Before Other Operating Charges	<u>(7,527)</u>	<u>(14,866)</u>
Other Operating Charges		
Amortization of acquired intangibles asset and other	(2,647)	(5,294)
Total other operating charges	<u>(2,647)</u>	<u>(5,294)</u>
Operating Gain (Loss)	(10,174)	(20,160)
Nonoperating Items		
Investment return, net	16,985	46,418
Gain (loss) on sale of property	3	3
Loss of impairment of pre-development costs	(310)	(310)
Excess (Deficiency) of Revenues Over Expenses	<u>6,503</u>	<u>25,951</u>
Net assets released for capital	16	16
Increase (Decrease) in Net Assets Without Donor Restrictions	<u><u>6,520</u></u>	<u><u>25,967</u></u>



Front Porch Consolidated Statements of Changes in Net Assets
For Quarter and Year-to-Date Period Ended September 30, 2025
(in thousands)

	<u>Current Quarter</u>	<u>Year-to-Date</u>
Net Assets Without Donor Restrictions		
Excess (Deficiency) of revenues over expenses	6,503	25,951
Net assets released for capital	16	16
	<hr/>	<hr/>
Increase (Decrease) in net assets without donor restrictions	6,520	25,967
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Net Assets With Donor Restrictions		
Contributions received and investment return	1,918	4,677
Net assets released from restriction used for operations	(1,182)	(2,348)
	<hr/>	<hr/>
Increase (Decrease) in net assets with donor restrictions	736	2,330
	<hr/>	<hr/>
Change in Net Assets	7,256	28,297
Net Assets, Beginning of the quarter	1,032,221	1,011,180
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Net Assets, End of the quarter	1,039,477	1,039,477
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Front Porch Consolidated Balance Sheets
(in thousands)

	As of September 30, 2025
	(unaudited)
Assets	
Current Assets	
Cash and cash equivalents *	\$96,129
Short-term investments	6,925
Assets limited as to use - required for current liabilities	6,429
Resident and patient accounts receivable	11,433
Prepaid expenses and other	15,984
Other receivables	1,032
Total current assets	137,931
Investments	
Assets limited as to use, net of current portion	61,664
Investments held in trust	553
Long-term investments	413,822
Total investments	476,040
Property and Equipment, Net	1,268,316
Other Assets	
Receivables from supporting organizations	803
ROU assets - operating leases	13,878
Other receivables	386
Other assets	50,060
Total other assets	65,127
Total assets	\$1,947,415
Liabilities and Net Assets	
Current Liabilities	
Current maturities of long-term debt	\$9,351
Current portion of operating leases	2,095
Accounts payable	15,759
Accrued payroll and related expenses	18,067
Intercompany payables	638
Accrued interest	6,452
Other accrued expenses	25,528
Total current liabilities	77,890
Asset retirement obligation	1,577
Accrued workers compensation	5,558
Operating lease liabilities	13,222
Other accrued liabilities	9,963
Liabilities for payments to trust benefit	4,717
Refundable entrance fees	125,709
Deferred revenue from entrance fees	243,594
Long-term debt	425,706
Total liabilities	907,938
Net Assets:	
Without donor restrictions	998,021
With donor restrictions	41,456
Total net assets	1,039,477
Total liabilities and net assets	\$1,947,415

* Net entrance fees received as of September 30, 2025 is \$20.7M.



Average Available Units / Beds by Community
For Quarter and Year-to-Date Period Ended September 30, 2025

Community Name	Current Quarter			Year-to-Date		
	Residential Living	Memory Care	Care Centers	Residential Living	Memory Care	Care Centers
Canterbury Woods	140	**	24	140	**	24
Carlsbad By The Sea	160	**	33	160	**	33
Casa de Manana	188	**	**	188	**	**
Cecil Pines	92	**	**	92	**	**
Claremont Manor	227	17	59	227	17	59
El Sombroso Oaks	22	**	**	22	**	**
Fredericka Manor	243	44	**	243	44	**
Friends House	85	**	**	85	**	**
Kingsley Manor	208	**	**	208	**	**
San Francisco Towers	252	12	27	252	12	27
Spring Lake Village	344	11	70	344	11	70
St. Paul's Towers	210	7	43	210	7	43
Sunny View	90	23	48	90	23	48
Villa Gardens	195	19	54	195	19	54
Vista del Monte	169	24	**	169	24	**
Walnut Village	177	30	**	177	30	**
Webster House	38	**	93	38	**	93
Wesley Palms	293	22	**	293	22	**
Consolidated Total	3,133	209	451	3,133	209	451

** Not applicable



Average Occupancy by Community
For Quarter and Year-to-Date Period Ended September 30, 2025

Community Name	Current Quarter			Year-to-Date		
	Residential Living	Memory Care	Care Centers	Residential Living	Memory Care	Care Centers
Canterbury Woods	88.8%	**	63.8%	88.6%	**	66.7%
Carlsbad By The Sea	97.5%	**	77.9%	97.6%	**	78.8%
Casa de Manana	93.6%	**	**	91.9%	**	**
Cecil Pines	98.9%	**	**	99.2%	**	**
Claremont Manor	90.6%	100.0%	60.5%	90.3%	98.8%	58.1%
El Sombroso Oaks	86.4%	**	**	86.4%	**	**
Fredericka Manor	88.6%	85.7%	**	88.6%	85.2%	**
Friends House	95.3%	**	**	93.9%	**	**
Kingsley Manor	83.2%	**	**	83.7%	**	**
San Francisco Towers	97.1%	97.5%	64.1%	96.9%	98.3%	61.9%
Spring Lake Village	94.4%	63.6%	63.9%	94.8%	63.6%	64.0%
St. Paul's Towers	90.0%	52.9%	63.5%	89.9%	57.1%	60.5%
Sunny View	95.6%	85.7%	73.5%	95.2%	90.0%	73.3%
Villa Gardens	94.7%	98.4%	75.9%	94.7%	97.4%	77.8%
Vista del Monte	96.4%	87.5%	**	95.7%	88.8%	**
Walnut Village	83.6%	57.7%	**	83.2%	59.0%	**
Webster House	93.9%	**	67.0%	93.4%	**	65.6%
Wesley Palms	90.1%	96.8%	**	88.1%	97.7%	**
Consolidated Total	92.0%	83.8%	67.5%	91.6%	84.6%	67.0%

** Not applicable



Care Center Payor Mix
For Quarter and Year-to-Date Period Ended September 30, 2025

Payor	Current Quarter	Year-to-Date
Private Pay	36.2%	34.1%
Medi-Cal	25.5%	25.6%
Medicare	37.0%	37.4%
Managed Care	1.3%	2.9%
Total	100.0%	100.0%



Management's Discussion

Unaudited Results of Operations ⁽¹⁾ – Consolidated: 2nd quarter and year-to-date ended September 30, 2025

Residential Living average occupancy was 92.0% for the 2nd quarter and 91.6% for September year-to-date. For the quarter, all eighteen communities were above 80%, with thirteen exceeding 90%. For the year-to-date, all eighteen communities were above 80% with eleven exceeding 90%. The average unit capacity for both the quarter and year-to-date was 3,133 units.

Summer House average occupancy was 83.8% for the 2nd quarter and 84.6% for September year-to-date. For the quarter, seven out of ten communities were above 80%, with four exceeding 90%. For the year-to-date, seven out of ten communities were above 80% with five exceeding 90%. The year-to-date average occupancy was negatively impacted by a slower fill up rate for SH II at Walnut Village (WV) and struggled at Spring Lake Village and St. Paul's Towers. The average unit capacity for both the quarter and year-to-date was 209 units.

Care Center average occupancy was 67.0% for the 2nd quarter and for September year-to-date. Zero out of the nine care centers exceeded 80% occupancy. The care center business continues to be evaluated for options. For the quarter, the average payor mix breakdown reflected: Private Pay 36.2%, Medi-Cal 25.5%, Medicare 37.0%, and Managed Care 1.3%. For the year-to-date, the average payor mix breakdown reflected: Private Pay 34.1%, Medi-Cal 25.6%, Medicare 37.4% and Managed Care 2.9%. The average available capacity for both the quarter and year-to-date were 451 beds.

For the 2nd quarter, resident and patient service revenue accounted for \$92.1M (82%), amortization revenue \$10.2M (9%), affordable housing revenue \$8.4M (7%), and other revenues of \$1.7M (2%) for a total of \$112.4M. For September year-to-date, resident and patient service revenue accounted for \$182.1M (82%), amortization revenue \$19.7M (9%), affordable housing revenue \$16.7M (8%) and other revenues of \$3.5M (1%) for a total of \$222M.

For the 2nd quarter, total expenses were \$119.9M. For September year-to-date, total expenses were \$236.9M. The largest contributors were Administrative services, Medical services, and depreciation. For the quarter, Operating Loss Before Other Operating Charges were \$7.5M. For the year-to-date, Operating Loss Before Other Operating Charges were \$14.9M.

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.



Management's Discussion

Unaudited Balance sheet – Consolidated: September 30, 2025

Total assets were \$1,947.4M at September 30, 2025. Cash and cash equivalents plus short-term investments were \$103.1M. Long-term investments and Property and Equipment, net were \$413.8M and \$1,268.3M, respectively. On the liabilities side refundable entrance fees were \$125.7M and deferred revenue from entrance fees were \$243.6M. Long-term debt was \$425.7M. Total change in Net Assets Without Donor Restrictions was an increase of \$6.5M for the current quarter and \$26.0M for September year-to-date.