



front porch

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

May 12, 2026

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 March 31, 2026. 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 March 31, 2026
(in thousands)

	<u>Current Quarter</u> <u>(unaudited)</u>	<u>Year-to-Date</u> <u>(unaudited)</u>
Revenues, Gains and Other Support Without Donor Restrictions		
Resident and patient service revenue	93,081	368,516
Amortization of entrance fees	10,612	40,544
Affordable housing fees and rents	8,175	33,106
Other	302	1,889
Contributions	13	83
Net assets released from restriction used for operations	1,099	4,510
Total revenues, gains and other support without donor restrictions	<u>113,282</u>	<u>448,648</u>
Expenses		
Medical services	22,421	88,098
Communities operating costs	14,566	57,850
Dietary services	18,776	72,267
Residential services	10,398	40,041
Administrative services	28,368	99,924
Program expenses	903	3,413
Depreciation	24,821	99,278
Amortization of deferred costs	63	235
Interest expense and other financing costs	3,212	12,797
Other	1,605	8,749
Total operating expenses	<u>125,133</u>	<u>482,653</u>
Operating Income (Loss) Before Other Operating Charges	<u>(11,851)</u>	<u>(34,005)</u>
Other Operating Charges		
Amortization of acquired intangibles asset and other	(2,647)	(10,589)
Total other operating charges	<u>(2,647)</u>	<u>(10,589)</u>
Operating Gain (Loss)	(14,498)	(44,594)
Nonoperating Items		
Investment return, net	(1,522)	51,347
Other components of net benefit	(446)	(446)
Gain (loss) on sale of property	14	501
Loss of impairment of pre-development costs	0	(310)
Excess (Deficiency) of Revenues Over Expenses	<u>(16,453)</u>	<u>6,498</u>
Net assets released for capital	0	16
Change in pension benefit	996	996
Increase (Decrease) in Net Assets Without Donor Restrictions	<u><u>(15,457)</u></u>	<u><u>7,511</u></u>



Front Porch Consolidated Statements of Changes in Net Assets
For Quarter and Year-to-Date Period Ended March 31, 2026
(in thousands)

	<u>Current Quarter</u>	<u>Year-to-Date</u>
Net Assets Without Donor Restrictions		
Excess (Deficiency) of revenues over expenses	(16,453)	6,498
Net assets released for capital	0	16
Change in pension benefit	996	996
Net assets gain from the purchase of Arch	0	2,374
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Increase (Decrease) in net assets without donor restrictions	(15,457)	9,885
Net Assets With Donor Restrictions		
Contributions received and investment return	480	7,464
Net assets released from restriction used for operations	(1,099)	(4,542)
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Increase (Decrease) in net assets with donor restrictions	(619)	2,923
Change in Net Assets	(16,076)	12,807
Net Assets, Beginning of the quarter	1,040,064	1,011,180
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Net Assets, End of the quarter	1,023,987	1,023,987
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Front Porch Consolidated Balance Sheets
(in thousands)

	As of March 31, 2026
	(unaudited)
Assets	
Current Assets	
Cash and cash equivalents *	\$95,089
Short-term investments	6,155
Assets limited as to use - required for current liabilities	15,549
Resident and patient accounts receivable	12,740
Prepaid expenses and other	16,062
Other receivables	954
Total current assets	146,550
Investments	
Assets limited as to use, net of current portion	65,058
Investments held in trust	523
Long-term investments	394,697
Total investments	460,279
Property and Equipment, Net	1,295,555
Other Assets	
Receivables from supporting organizations	803
ROU assets - operating leases	8,701
Other receivables	221
Other assets	50,901
Total other assets	60,625
Total assets	\$1,963,008
Liabilities and Net Assets	
Current Liabilities	
Current maturities of long-term debt	\$9,585
Current portion of operating leases	2,095
Accounts payable	32,678
Accrued payroll and related expenses	19,378
Intercompany payables	593
Accrued interest	6,469
Other accrued expenses	24,211
Total current liabilities	95,008
Asset retirement obligation	1,585
Accrued workers compensation	6,821
Operating lease liabilities	7,579
Other accrued liabilities	12,104
Liabilities for payments to trust benefit	4,797
Refundable entrance fees	124,169
Deferred revenue from entrance fees	242,326
Long-term debt	444,632
Total liabilities	939,021
Net Assets:	
Without donor restrictions	981,938
With donor restrictions	42,049
Total net assets	1,023,987
Total liabilities and net assets	\$1,963,008

* Net entrance fees received as of March 31, 2026 is \$38.4M.



Average Available Units / Beds by Community
For Quarter and Year-to-Date Period Ended March 31, 2026

Community Name	Current Quarter			Year-to-Date		
	Residential	Memory	Care	Residential	Memory	Care
	Living	Care	Centers	Living	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 March 31, 2026

Community Name	Current Quarter			Year-to-Date		
	Residential	Memory	Care	Residential	Memory	Care
	Living	Care	Centers	Living	Care	Centers
Canterbury Woods	82.4%	**	65.4%	86.6%	**	66.7%
Carlsbad By The Sea	98.1%	**	85.8%	97.9%	**	81.2%
Casa de Manana	91.9%	**	**	92.9%	**	**
Cecil Pines	99.7%	**	**	99.3%	**	**
Claremont Manor	95.0%	98.2%	58.1%	92.2%	98.8%	59.0%
El Sombroso Oaks	92.3%	**	**	90.0%	**	**
Fredericka Manor	90.0%	90.9%	**	89.2%	88.4%	**
Friends House	90.2%	**	**	92.0%	**	**
Kingsley Manor	77.3%	**	**	81.4%	**	**
San Francisco Towers	95.8%	94.2%	54.4%	96.4%	98.3%	60.4%
Spring Lake Village	93.5%	63.6%	59.6%	94.3%	65.5%	63.1%
St. Paul's Towers	92.9%	75.7%	69.1%	91.1%	65.7%	63.3%
Sunny View	91.9%	94.3%	77.1%	93.9%	90.0%	76.0%
Villa Gardens	95.9%	89.5%	81.5%	95.1%	95.3%	77.6%
Vista del Monte	97.8%	91.7%	**	96.6%	88.8%	**
Walnut Village	88.0%	55.7%	**	85.4%	56.0%	**
Webster House	92.1%	**	69.1%	92.9%	**	68.3%
Wesley Palms	95.0%	100.0%	**	91.0%	98.2%	**
Consolidated Total	92.3%	86.0%	68.7%	92.0%	85.1%	68.1%

** Not applicable



Care Center Payor Mix
For Quarter and Year-to-Date Period Ended March 31, 2026

Payor	Current Quarter	Year-to-Date
Private Pay	28.3%	30.6%
Medi-Cal	21.3%	23.7%
Medicare	45.7%	41.3%
Managed Care	4.7%	4.4%
Total	100.0%	100.0%



Management's Discussion

Unaudited Results of Operations ⁽¹⁾ – Consolidated: 4th quarter and year-to-date ended March 31, 2026

Residential Living average occupancy was 92.3% for the 4th quarter and 92.0% for March year-to-date. For the quarter, seventeen out of eighteen communities were above 80%, with fifteen exceeding 90%. For the year-to-date, all eighteen communities were above 80% with fourteen exceeding 90%. The average unit capacity for both the quarter and year-to-date was 3,133 units.

Summer House average occupancy was 86.0% for the 4th quarter and 85.1% for March year-to-date. For the quarter, seven out of ten communities were above 80%, with six 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 challenges 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 68.7% for the 4th quarter and 68.1% for March year-to-date. The care center business continues to be evaluated for options. For the quarter, the average payor mix breakdown reflected: Private Pay 28.3%, Medi-Cal 21.3%, Medicare 45.7%, and Managed Care 4.7%. For the year-to-date, the average payor mix breakdown reflected: Private Pay 30.6%, Medi-Cal 23.7%, Medicare 41.3% and Managed Care 4.4%. The average available capacity for both the quarter and year-to-date were 451 beds.

For the 4th quarter, resident and patient service revenue accounted for \$93.1M (82%), amortization revenue \$10.6M (9%), affordable housing revenue \$8.2M (7%), and other revenues of \$1.4M (2%) for a total of \$113.3M. For March year-to-date, resident and patient service revenue accounted for \$368.5M (82%), amortization revenue \$40.5M (9%), affordable housing revenue \$33.1M (7%) and other revenues of \$6.5M (2%) for a total of \$448.6M.

For the 4th quarter, total expenses were \$125.1M. For March year-to-date, total expenses were \$482.7M. The largest contributors were Administrative services, Medical services, and depreciation. For the quarter, Operating Loss Before Other Operating Charges were \$11.9M. For the year-to-date, Operating Loss Before Other Operating Charges were \$34.0M.

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: March 31, 2026

Total assets were \$1,963.0M on March 31, 2026. Cash and cash equivalents plus short-term investments were \$101.2M. Long-term investments and Property and Equipment, net were \$394.7M and \$1,295.6M, respectively. On the liabilities side refundable entrance fees were \$124.2M and deferred revenue from entrance fees were \$242.3M. Long-term debt was \$444.6M. Total change in Net Assets Without Donor Restrictions was a decrease of \$15.5M for the current quarter and an increase of \$9.9M for March year-to-date.