



October 29, 2025

Continuing Care Contracts Branch  
California Department of Social  
Services 744 P Street, M.S. 9-14-91  
Sacramento, CA 95814

Re: 899 Charleston d/b/a Moldaw Residences 2025 Continuing Care Annual Report

Greetings:

Enclosed is the Continuing Care Annual Report for 899 Charleston, the owner and operator of the CCRC known as Moldaw Residences. The Community is located at 899 Charleston Road, Palo Alto, California, 94303. The filing fee was mailed separately.

Should you have any questions or need additional information, please feel free to contact me at (515) 883-7842 or by e-mail at [andykockler@lcsliving.com](mailto:andykockler@lcsliving.com). Thank you.

Sincerely,

A handwritten signature in blue ink that appears to read 'Andy Kockler'.

Andy Kockler  
Sr Compliance Analyst

Life Care Services LLC  
400 Locust, Suite 820  
Des Moines, IA 50309-2334

No. 176355

Check Date 10/28/2025

Continuing Care Provider Fee Fund 744 P Street MS 9-14-91 95814

Invoice	Description	Date	Discount	Net Amount Paid
10/22/25	Annual Filing Fee for Moldaw Residences CCRC Renewal	10/23/2025	\$0.00	\$16,684.17
Detach at Perforation Before Depositing Check		Grand Totals:	\$0.00	\$16,684.17

Life Care Services LLC  
400 Locust, Suite 820  
Des Moines, IA 50309-2334

Truist Bank  
300 Peachtree St NE  
Atlanta, GA 30309-4470

Check No. 176355

61-1341/611

Check Date

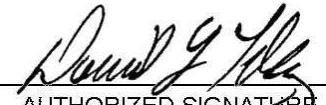
10/28/2025

Check Amount

\*\*\*\*\*\$16,684.17

PAY Sixteen Thousand Six Hundred Eighty Four Dollars Seventeen/100 Cents

TO THE Continuing Care Provider Fee Fund  
ORDER 744 P Street MS 9-14-91  
OF SACRAMENTO CA 95814

  
AUTHORIZED SIGNATURE

9017

0000017635500 10611134150111001943681400

AUTHORIZED SIGNATURE

**ANNUAL REPORT CHECKLIST**

FISCAL YEAR ENDED: 06/30/2025

---

PROVIDER(S):

899 Charleston

---

CCRC(S):

Moldaw Residences

---

PROVIDER CONTACT PERSON:

Mark Baddas

---

TELEPHONE NUMBER:

650-433-3600

E-MAIL ADDRESS:

mbaddas@moldaw.org

***A complete annual report must consist of 3 copies of all of the following:***

- Annual Report Checklist.
- Annual Provider Fee in the amount of: \$ 16,684.17
  - If applicable, late fee in the amount of: \$ \_\_\_\_\_
- Certification by the provider's ***Chief Executive Officer*** that:
  - The reports are correct to the best of his/her knowledge.
  - Each continuing care contract form in use or offered to new residents has been approved by the Department.
  - The provider is maintaining the required liquid reserves and, when applicable, the required refund reserve.
- Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.
- Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.
- Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon. (NOTE: Form 5-5 must be signed and have the required disclosures attached (H&SC section 1790(a)(2) and (3)).
- "Continuing Care Retirement Community Disclosure Statement" for ***each*** community.
- Form 7-1, "Report on CCRC Monthly Service Fees" for ***each*** community.
- Form 9-1, "Calculation of Refund Reserve Amount", if applicable.
- Key Indicators Report (signed by CEO or CFO (or by the authorized person who signed the provider's annual report)). The KIR may be submitted along with the annual report, but is not required until 30 days later.

**FORM 1-1:RESIDENT POPULATION**

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	207
[2]	Number at end of fiscal year	218
[3]	Total Lines 1 and 2	425 x.50
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	
[5]	Mean number of continuing care residents Please allow decimal points for Line [5]	212.5
<b>All Residents</b>		
[6]	Number at beginning of fiscal year	212
[7]	Number at end of fiscal year	220
[8]	Total Lines 6 and 7	432 x.05
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	
[10]	Mean number of <i>all</i> residents	216
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	.98
Please allow decimal points in Line [11]		

## **CEO CERTIFICATION**

I, Mark Baddas, CEO of 899 Charleston d/b/a Moldaw Residences hereby certify that:

- The annual report and any amendments thereto are correct to the best of my knowledge;
- Each continuing care contract form in use or offered to new residents has been approved by the Department;
- As of the date of this certification, the provider is maintaining the required liquid reserve.

  
\_\_\_\_\_  
Signature

October 27, 2025  
Date

**FORM 1-2: ANNUAL PROVIDER FEE**

<b>Line</b>		<b>TOTAL</b>
[1]	Total Operating Expenses (including depreciation and debt service - interest only)	24,008,558
[a]	Depreciation	3,947,396
[b]	Debt Service (Interest Only)	3,036,501
[2]	Subtotal (add Line 1a and 1b)	6,983,897
[3]	Subtract Line 2 from Line 1 and enter result.	17,024,661
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)	98.0
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	16,684,168
[6]	<b>Total Amount Due</b> (multiply Line 5 by .001)	16,684.17

PROVIDER: 899 Charleston d/b/a Moldaw ResidencesCOMMUNITY: Moldaw Residences

**DECLARATIONS****FEDERAL INSURANCE COMPANY**

A stock insurance company, incorporated under the laws of Indiana, herein called the Company

Capital Center, 251 North Illinois, Suite 1100  
Indianapolis, IN 46204-1927

Policy Number: 8251-7370

**THE DIRECTORS AND OFFICERS LIABILITY AND ENTITY LIABILITY, FIDUCIARY LIABILITY AND EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTIONS (WHICHEVER ARE PURCHASED) PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR DURING AN APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED UNLESS OTHERWISE PROVIDED HEREIN, BY "DEFENSE COSTS," AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE POLICY CAREFULLY.**

**Item 1. Organization:** 899 CHARLESTON DBA: MOLDAW RESIDENCES @899  
CHARLESTON  
**Principal Address:** 899 EAST CHARLESTON  
PALO ALTO, CA 94303

**Item 2. Policy Period:** (A) From: 12:01 A.M. on July 1, 2025  
(B) To: 12:01 A.M. on July 1, 2026  
Local time at the address shown in Item 1.

**Item 3. A Combined Maximum Aggregate Limit of Liability is applicable:**

Yes  No The Combined Maximum Aggregate Limit of Liability for all **Claims** under all **Liability Coverage Sections** each **Policy Year** shall be: \$5,000,000.00

**Item 4. Coverage is available for the following only:**

Yes  No Directors & Officers Liability and Entity Liability Coverage Section  
 Yes  No Employment Practices Liability Coverage Section  
 Yes  No Fiduciary Liability Coverage Section  
 Yes  No Crime Non-Liability Coverage Section  
 Yes  No Kidnap/Ransom and Extortion Non-Liability Coverage Section

**Item 5. Extended Reporting Period:**

(A) Additional Period:

1 year

(B) Additional Premium:

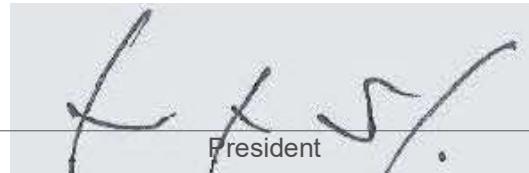
100% of Annual Premium

**Item 6. Termination of prior policies:** 8251-7370 (Jul 1, 204 - Jul 1, 2025)

In witness whereof, the Company issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.

**FEDERAL INSURANCE COMPANY**

Secretary



President

07/01/2025

Date



Authorized Representative

Report of Independent Auditors and  
Financial Statements

**899 Charleston  
dba Moldaw Residences**

June 30, 2025 and 2024

 **bakertilly**

## **Table of Contents**

---

	<b>Page</b>
<b>Report of Independent Auditors</b>	1
<b>Financial Statements</b>	
Statements of Financial Position	4
Statements of Revenues and Expenses	6
Statements of Changes in Net Deficit	7
Statements of Cash Flows	8
Notes to Financial Statements	10

## Report of Independent Auditors

The Board of Trustees  
899 Charleston dba Moldaw Residences

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of 899 Charleston dba Moldaw Residences, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of revenues and expenses, changes in net deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 899 Charleston dba Moldaw Residences as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 899 Charleston dba Moldaw Residences and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 899 Charleston dba Moldaw Residences' ability to continue as a going concern within one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 899 Charleston dba Moldaw Residences' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 899 Charleston dba Moldaw Residences' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



San Francisco, California  
October 9, 2025

## **Financial Statements**

**899 Charleston dba Moldaw Residences**  
**Statements of Financial Position**  
**June 30, 2025 and 2024**

---

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 13,780,743	\$ 7,985,045
Investments	29,991,196	28,318,170
Accounts receivable	66,220	93,544
Notes receivable	4,057,161	1,855,824
Prepaid expenses and other current assets	406,170	217,399
Other receivables	171,145	248,630
Debt service fund - current	<u>1,615,333</u>	-
Total current assets	50,087,968	38,718,612
<b>DEBT SERVICE FUND - NON-CURRENT</b>	2,053,263	4,513,397
<b>INTEREST IN OWNERS ASSOCIATION</b>	758,324	976,841
<b>PROPERTY AND EQUIPMENT, net</b>	<u>94,820,143</u>	<u>94,741,315</u>
<b>Total assets</b>	<u><u>\$ 147,719,698</u></u>	<u><u>\$ 138,950,165</u></u>

---

See accompanying notes.

**899 Charleston dba Moldaw Residences**  
**Statements of Financial Position**  
**June 30, 2025 and 2024**

---

	2025	2024
<b>LIABILITIES AND NET DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,243,509	\$ 404,276
Entrance fee refund payable	7,706,329	3,536,900
Accrued liabilities	1,079,073	903,146
Deferred monthly fees	18,344	179,497
Refundable deposits	541,865	586,867
Loans payable, current portion	600,000	600,000
Bonds payable, current portion	<u>1,180,000</u>	<u>1,135,000</u>
 Total current liabilities	12,369,120	7,345,686
<b>LOANS PAYABLE, net of current portion</b>	3,140,892	3,672,026
<b>BONDS PAYABLE, net of current portion</b>	58,696,328	60,941,168
<b>REFUNDABLE ENTRANCE FEES</b>	123,493,337	116,313,685
<b>DEFERRED REVENUE FROM ENTRANCE FEES</b>	<u>16,482,132</u>	<u>13,281,660</u>
 Total liabilities	<u>214,181,809</u>	<u>201,554,225</u>
<b>NET ASSETS (DEFICIT)</b>		
Without donor restrictions	(76,336,043)	(72,123,843)
Without donor restrictions - Board designated	413,302	405,627
With donor restrictions	<u>9,460,630</u>	<u>9,114,156</u>
 Total net deficit	<u>(66,462,111)</u>	<u>(62,604,060)</u>
<b>Total liabilities and net deficit</b>	<u><u>\$ 147,719,698</u></u>	<u><u>\$ 138,950,165</u></u>

---

See accompanying notes.

**899 Charleston dba Moldaw Residences**  
**Statements of Revenues and Expenses**  
**Years Ended June 30, 2025 and 2024**

---

	<u>2025</u>	<u>2024</u>
<b>OPERATING REVENUES</b>		
Resident fees	\$ 15,927,350	\$ 14,602,718
Amortization of entrance fees	2,167,468	1,387,212
Fees for services and other income	214,744	148,684
Investment income	1,373,019	1,371,454
Contributions without donor restrictions	17,821	1,372
Net assets released from restrictions - satisfaction of purpose	<u>499,023</u>	<u>476,710</u>
 Total operating revenues	 <u>20,199,425</u>	 <u>17,988,150</u>
<b>EXPENSES</b>		
Salaries and wages	7,652,814	6,865,808
Employee benefits and payroll taxes	1,645,039	1,365,258
Contract services and professional fees	4,323,948	4,275,185
Supplies, utilities, and maintenance	2,140,302	1,836,439
Interest	3,036,501	3,953,600
Depreciation	3,947,396	3,896,319
Other	<u>1,262,558</u>	<u>45,251</u>
 Total expenses	 <u>24,008,558</u>	 <u>22,237,860</u>
<b>DEFICIT OF REVENUES OVER EXPENSES</b>	<b><u>\$ (3,809,133)</u></b>	<b><u>\$ (4,249,710)</u></b>

See accompanying notes.

**899 Charleston dba Moldaw Residences**  
**Statements of Changes in Net Deficit**  
**Years Ended June 30, 2025 and 2024**

---

	<u>2025</u>	<u>2024</u>
<b>NET DEFICIT WITHOUT DONOR RESTRICTIONS</b>		
Deficit of revenues over expenses	\$ (3,809,133)	\$ (4,249,710)
Changes in interest in Owners Association	(395,392)	-
Other changes in net deficit	<u>-</u>	<u>(113,494)</u>
Changes in net deficit without donor restrictions	<u>(4,204,525)</u>	<u>(4,363,204)</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	4,311	173,357
Net assets released from restrictions - satisfaction of purpose	(499,023)	(476,710)
Investment earnings with donor restrictions	841,186	337,239
Changes in beneficial interest in Jewish Home & Senior Living Foundation	<u>-</u>	<u>407,774</u>
Changes in net assets with donor restrictions	<u>346,474</u>	<u>441,660</u>
<b>CHANGES IN NET DEFICIT</b>		
	(3,858,051)	(3,921,544)
NET DEFICIT, beginning of year	<u>(62,604,060)</u>	<u>(58,682,516)</u>
NET DEFICIT, end of year	<u><u>\$ (66,462,111)</u></u>	<u><u>\$ (62,604,060)</u></u>

---

See accompanying notes.

# 899 Charleston dba Moldaw Residences

## Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from resident fees	\$ 15,576,495	\$ 14,240,793
Cash received from services and other income	214,744	148,684
Nonrefundable entrance fees received	5,368,156	4,165,684
Interest income received	1,373,019	1,065,222
Cash received from contributions and grants	17,821	1,372
Cash paid for interest on long-term debt	(2,994,587)	(3,338,581)
Cash paid to suppliers, employees, and others	<u>(14,852,816)</u>	<u>(14,129,232)</u>
Net cash provided by operating activities	<u>4,702,832</u>	<u>2,153,942</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(4,026,224)	(1,495,919)
Purchase of investments	(1,571,555)	(8,535,144)
Proceeds from sale of investments	387,741	1,240,881
Changes in refundable deposits	(45,002)	(153,898)
Investments earnings transfer from Jewish Home & Senior Living Foundation	-	239,745
Net cash used in investing activities	<u>(5,255,040)</u>	<u>(8,704,335)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of bond principal	(63,310,000)	(1,080,000)
Payments of bond issuance costs	(3,384,999)	-
Proceeds from bond issuance	63,272,397	-
Payments of loan principal	(600,000)	(600,000)
Entrance fees received	26,744,158	20,192,485
Entrance fees refunded	<u>(17,218,451)</u>	<u>(15,543,566)</u>
Net cash provided by financing activities	<u>5,503,105</u>	<u>2,968,919</u>
<b>NET CHANGES IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>		
	4,950,897	(3,581,474)
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year</b>	<u>12,498,442</u>	<u>16,079,916</u>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year</b>	<u>\$ 17,449,339</u>	<u>\$ 12,498,442</u>

See accompanying notes.

# 899 Charleston dba Moldaw Residences

## Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
<b>RECONCILIATION OF CHANGES IN NET DEFICIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Changes in net deficit	\$ (3,858,051)	\$ (3,921,544)
Adjustments to reconcile changes in net deficit to net cash provided by operating activities:		
Amortization of entrance fees	(2,167,468)	(1,387,212)
Loss on bond refinancing	1,233,851	-
Amortization of bond issuance costs	103,362	53,096
Amortization of bond premium	(114,451)	(53,155)
Amortization of loan discount	68,866	68,866
Unrealized gain on investments	(489,212)	(314,818)
Depreciation	3,947,396	3,896,319
Nonrefundable entrance fees received	5,368,156	4,165,684
Changes in interest in Owners Association	218,517	-
Changes in beneficial interest in Jewish Home & Senior Living Foundation	-	(407,774)
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	27,324	(44,006)
Increase in notes receivable	(378,179)	(317,919)
(Increase) decrease in prepaid expenses and other current assets	(188,771)	95,433
Decrease (increase) in other receivables	77,485	(183,877)
Increase (decrease) in accounts payable	839,233	(253,857)
Increase in entrance fee refund payable	-	533,623
Increase in accrued liabilities	175,927	52,717
(Decrease) increase in deferred monthly fees	<u>(161,153)</u>	<u>172,366</u>
Net cash provided by operating activities	<u><u>\$ 4,702,832</u></u>	<u><u>\$ 2,153,942</u></u>

### SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITY

Transfer of investments from beneficial interest in Jewish Home & Senior Living Foundation	\$ -	\$ 8,498,425
--	------	--------------

### SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITY

Notes receivable issued for entrance fees received	\$ 3,195,332	\$ 1,095,017
--	--------------	--------------

See accompanying notes.

# 899 Charleston dba Moldaw Residences

## Notes to Financial Statements

---

### Note 1 – Nature of Activities

899 Charleston dba Moldaw Residences (the Organization) was established on March 29, 2006, as a nonprofit public benefit corporation in the State of California. The specific and primary purposes of the Organization are: (1) to provide residential facilities that are specifically designated to meet a combination of physical, emotional, recreation, social, and similar needs of aged persons; (2) to maintain arrangements with organizations, facilities, and/or health personnel to address the well-being of the residents; and (3) to adopt policies and procedures designed to address the need of the residents for protection against financial risks associated with the later years of life.

In 2007, 899 Charleston, LLC (the LLC) was formed in order to facilitate the bond financing transaction for the 899 Charleston project (the Project). The Project included the construction of 193 continuing care retirement community units in Palo Alto, California, which became part of the network of living options, services, and care associated with the Hebrew Home for Aged Disabled (the San Francisco Campus) dba the San Francisco Campus for Jewish Living. The LLC's rights and obligations under the bond and the Project were assigned to the Organization after it was recognized by the Internal Revenue Service as a tax-exempt organization. In an agreement with the City of Palo Alto, the Project provides a Below-Market Rate (BMR) Program that includes, among other services, providing 24 housing units at entry fee levels that comply with the income and affordability standards prescribed by the BMR Program for 89 years. The Project also established a \$5 million endowment for financial need with the stipulation that the income be restricted for the support of residents of 899 Charleston or accepted applicants who cannot afford a portion of either the entry fee or the monthly fee.

In October 2009, the construction of the facility was completed, and the Organization commenced operations.

### Note 2 – Significant Accounting Policies

**Basis of accounting** – The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Basis of presentation** – The Organization is required to report information regarding its financial position and operations according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net assets without donor restrictions* – Represent unrestricted resources available to support the Organization's operations. This includes resources that were originally restricted by the donor that became available for use by the Organization, in accordance with the intentions of donors. *Net assets without donor restrictions – Board designated* represent funds that the Board of Trustees has designated for specific purposes, such as future resident financial assistance.

# 899 Charleston dba Moldaw Residences

## Notes to Financial Statements

---

**Net assets with donor restrictions** – Represent contributions that are limited in use by the Organization in accordance with donor-imposed stipulations. These stipulations may expire with time or may be satisfied and removed by the actions of the Organization according to the terms of the contribution. A portion of these contributions is classified as endowments and income from these contributions is primarily available to support the activities of the Organization as directed by the donors (see Note 10). Donor-imposed restrictions are released when a restriction expires; that is, when the stated time has elapsed, when the stated purpose for which the resource was restricted has been fulfilled, or both.

**Use of estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include deferred revenue from entrance fees, future service benefit obligation and recoverability of long-lived assets. Actual results could differ from those estimates.

**Cash, cash equivalents, and restricted cash** – Cash and cash equivalents consist primarily of cash on deposit and money market accounts that are readily convertible into cash and purchased with original maturities of three months or less.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows as of June 30:

	2025	2024
Cash and cash equivalents	\$ 13,780,743	\$ 7,985,045
Restricted cash included in debt service fund - current	1,615,333	-
Restricted cash included in debt service fund - noncurrent	<u>2,053,263</u>	<u>4,513,397</u>
 Total cash, cash equivalents, and restricted cash	 <u>\$ 17,449,339</u>	 <u>\$ 12,498,442</u>

Amounts included in restricted cash represent those contractually required to be set aside for future debt service payments.

**Notes receivable** – Some prospective residents require additional time to liquidate assets to fully pay the entrance fee that is due when they sign their continuing care contract with the Organization. In these situations, the individuals sign a contract addendum and a notarized promissory note that gives them up to 90 days to pay the balance of their entrance fee. The Organization records a note receivable for these deferred entrance fees. Before contracts are signed, the Organization does extensive financial screening. Based on past collection experiences, the Organization estimates that all the outstanding balances are collectible as of June 30, 2025 and 2024, and no provision of allowance for losses is deemed necessary.

## 899 Charleston dba Moldaw Residences

### Notes to Financial Statements

---

The Organization also records notes receivable when a resident's monthly fee is reduced due to a financial assistance subsidy or use of a health care line of credit. In both these situations, any reduction to the monthly fee is deducted from the refundable portion of the resident's entrance fee when the refund becomes due. In general, no provision of allowance for losses is deemed necessary because the Organization does not need to collect the balance on the note receivable; it simply reduces the payment it issues to the resident or their estate. If the aggregate amount of financial assistance a resident received equals the amount of the refundable portion of their entrance fee, an allowance for losses is recorded for any additional subsidies.

**Investments** – Investments in debt and equity securities are stated at fair value. Fair value is determined based on quoted market prices. Unrealized gains or losses on investments resulting from market fluctuations are recorded in the statements of revenues and expenses in the period such fluctuations occur. Realized gains or losses on sales of investments are calculated on the average cost basis. Investment sales and purchases are recorded on a trade-date basis and dividends and interest income are recorded when earned on an accrual basis. Investments include money market funds.

**Fair value of financial instruments** – Management has elected to value financial instruments at fair value on an instrument-by-instrument basis. See Note 8 for fair value hierarchy.

**Contributions and promises to give** – Contributions, which may include unconditional promises to give (pledges), are recognized at fair value as revenues in the period received or unconditionally pledged. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Promises to give are recorded at net realizable value if expected to be collected in one year and at the present value of their estimated future cash flows if expected to be collected in more than one year.

Conditional promises to give are recognized when the conditions on which they depend have been substantially met and the promises become unconditional. There were no conditional promises to give as of June 30, 2025 or 2024.

The Organization uses the allowance method to determine uncollectible pledge receivables. The allowance is based on management's analysis of specific promises made.

**Property and equipment** – Property and equipment are recorded at cost. Routine maintenance and repairs are charged to expense as incurred. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings and building equipment	10 to 40 years
Land improvements	20 years
Personal property	3 to 10 years

# 899 Charleston dba Moldaw Residences

## Notes to Financial Statements

---

Donations of property and equipment are recorded at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

**Accounting for impairment of long-lived assets** – The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Management determined that no impairment occurred to the long-lived assets as of June 30, 2025 and 2024.

**Revenue recognition** – Resident fees are reported at the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for the services provided. In accordance with resident agreements, the Organization provides senior living services to residents for a stated monthly fee. The Organization recognizes revenue for senior living services under the resident agreements for independent living in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases* (ASC 842). The noncancelable term of these resident agreements is less than 12 months; as such, these are accounted for as short-term lease agreements. The Organization recognizes revenue for senior living services under the resident agreements for assisted living and memory support in accordance with the provisions of ASC 606, *Revenue from Contracts with Customers* (ASC 606), which is recognized as the services are performed. Resident fee revenue disaggregated by service line for the years ended June 30 is as follows:

	2025	2024
Independent living	\$ 12,538,067	\$ 11,445,341
Assisted living	1,636,681	1,550,534
Memory support	1,752,602	1,606,843
 Total resident fees	 \$ 15,927,350	 \$ 14,602,718

Fees for services and other income is reported at the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for providing the related services. Revenue is recognized as the services are performed and includes monthly service fees for independent living, assisted living and memory care as well as clinic revenue and other miscellaneous income.

# 899 Charleston dba Moldaw Residences

## Notes to Financial Statements

---

**Beneficial interest in Jewish Home & Senior Living Foundation** – The Organization follows ASC 958, *Not-for-Profit Entities* (ASC 958), in recording transactions in which a donor makes a contribution by transferring assets to a not-for-profit organization or charitable trust (the recipient organization, i.e., the Jewish Home & Senior Living Foundation (the Foundation). The Foundation accepts the assets from the donor and agrees to use those assets on behalf of or transfer those assets, the return on investment of those assets, or both to another entity (the beneficiary, i.e., the Organization) that is specified by the donor. The recipient organization, the Foundation, recognizes the fair value of those assets as a liability to the specified beneficiary, the Organization, concurrent with recognition of the assets received from the donor. The Organization recognizes an asset, beneficial interest in Foundation, with a corresponding change in beneficial interest in the net assets of the Foundation.

During the year ended June 30, 2024, all assets held by the Foundation on behalf of the Organization were transferred to the Organization. As such, as of June 30, 2024, the beneficial interest in the Foundation was \$0.

**Continuing care contracts** – The Organization has entered into continuing care contracts with the residents of its continuing care facilities. Under the provisions of these contracts, residents are required to pay an entrance fee and periodic monthly fees (resident fees) in exchange for services and the right to occupy and use the facilities. Entrance fees are one-time payments made by residents of the continuing care facilities that, in addition to monthly fees, provide for living accommodations. The resident fees are subject to adjustment for changes in operating costs or other economic reasons. The continuing care contracts create a performance obligation to provide residency care and services, which will be satisfied over the resident's remaining stay at the Organization. The nonrefundable portion of the fees is recorded as deferred revenue from entrance fees and amortized to income using the straight-line method over the estimated remaining life expectancy of the resident, in accordance with ASC 606. The period of amortization is adjusted annually using the life expectancy table published in the California Continuing Care Contract Statutes. The change in deferred revenue from entrance fees during the years ended June 30 consists of the following activity:

	2025	2024
Balance, beginning of year	\$ 13,281,660	\$ 10,578,429
New entrance fees received	5,368,156	4,165,684
Amortization of entrance fees	(2,167,468)	(1,387,212)
Other	(216)	(75,241)
 Balance, end of year	 \$ 16,482,132	 \$ 13,281,660

Refundable entrance fees are primarily noninterest bearing and, depending on the type of contract, can range from 0% to 90% of the total entrance fees. Refundable entrance fees are returned to the resident or the resident's estate depending on the form of the agreement either upon re-occupancy or termination of the care agreement. As of June 30, 2025 and 2024, the Organization is obligated to refund \$131,199,666 and \$119,850,585 in entrance fees, respectively.

# 899 Charleston dba Moldaw Residences

## Notes to Financial Statements

---

**Future service benefit obligation** – The Organization annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded (future service benefit obligation) with the corresponding charge to expense. The obligation is discounted at 5% for both 2025 and 2024, based on the expected long-term rate of return on government obligations. As of both June 30, 2025 and 2024, the Organization's future service benefit obligation was \$0.

**Fair value measurements** – ASC 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to measurements involving significant unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

**Level 1** – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date;

**Level 2** – Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

**Level 3** – Inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement, in its entirety.

The fair values of the financial instruments as of June 30, 2025 and 2024, represent management's best estimates of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects management's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by management based on the best information available in the circumstances.

**Marketing and advertising expenses** – The Organization expenses all marketing and advertising expenses as they are incurred, in accordance with ASC 606. Marketing and advertising expense for the years ended June 30, 2025 and 2024, amounted to \$435,254 and \$601,413, respectively.

**Income taxes** – The Organization is exempt from federal and California state income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and by the Franchise Tax Board under Section 23701(d) of the California Revenue and Taxation Code.

## 899 Charleston dba Moldaw Residences

### Notes to Financial Statements

---

U.S. GAAP requires the Organization to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable tax authority. The Organization has reviewed its tax positions for all open tax years and believes that it has appropriate support for the tax positions taken. Therefore, no liability has been recorded.

**Functional allocation of expenses** – The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis (see Note 14). Expenses for salaries and wages, employee benefits and payroll taxes (except for worker's compensation), contract services and professional fees, supplies, utilities, and maintenance, and other are charged directly to departments within each functional area. Additionally, certain indirect costs have been allocated among the programs and supporting services benefited. Worker's compensation insurance expense is allocated based on salaries and wages for each functional area. Interest related to the bonds used to fund construction of the facility and interest expense on the vehicles used to transport residents are designated as program expense. All other interest expense is designated as management and general expense. Depreciation expense is allocated based on the number of personnel in each function.

**Performance indicator** – The performance indicator reported in the statements of revenues and expenses is captioned as "deficit of revenues over expenses." Changes in net deficit without donor restrictions that are excluded from the performance indicator include funds released from restriction to purchase capital assets.

**Reclassifications** – Certain reclassifications were made to the 2024 amounts to conform to the 2025 presentation.

**Subsequent events** – Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position, but arose after the statement of financial position date, and before financial statements are issued.

The Organization has evaluated subsequent events through October 9, 2025, which is the date the financial statements are issued.

# 899 Charleston dba Moldaw Residences

## Notes to Financial Statements

---

### Note 3 – Concentration of Credit Risk

The Organization has defined its financial instruments that are subject to credit risk as cash and cash equivalents. The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. If any of the financial institutions with whom the Organization does business were to be placed into receivership with the Federal Deposit Insurance Corporation (FDIC), the Organization may be unable to access the cash it has on deposit with such institutions. If the Organization was unable to access its cash and cash equivalents as needed, the Organization's financial position and ability to operate its business could be adversely affected. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents. The Organization uses an insured cash sweep account, in which the funds in its depository account are broken into amounts under the FDIC-insured limit, that are then held in multiple different accounts such that the entire amount has FDIC insurance coverage.

### Note 4 – Investments

Investments, carried at fair value, are summarized as follows as of June 30:

	2025	2024
Money market funds	\$ 19,081,211	\$ 17,976,655
Equity mutual funds	4,737,214	4,320,316
Fixed income mutual funds	<u>6,172,771</u>	<u>6,021,199</u>
	<u><u>\$ 29,991,196</u></u>	<u><u>\$ 28,318,170</u></u>

Investments in securities are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that the value of the Organization's investments and net asset balance could fluctuate materially.

Net unrealized gains on investments for the years ended June 30, 2025 and 2024, included in investment income in the statements of revenues and expenses, were \$47,684 and \$66,343, respectively. Net unrealized gains on investments for the years ended June 30, 2025 and 2024, included in investment earnings with donor restrictions in the statements of changes in net deficit, were \$441,528 and \$248,475, respectively.

# 899 Charleston dba Moldaw Residences

## Notes to Financial Statements

---

### Note 5 – Property and Equipment, Net

Property and equipment, net consist of the following as of June 30:

	2025	2024
Buildings and building equipment	\$ 132,745,803	\$ 131,580,599
Land improvements	840,952	838,365
Furniture and equipment	10,917,235	9,839,404
Automobiles	323,660	323,660
 Total assets subject to depreciation	 144,827,650	 142,582,028
Less: accumulated depreciation	(65,040,060)	(61,092,664)
 Depreciable assets	 79,787,590	 81,489,364
Land	13,118,538	13,118,538
Construction in progress	1,914,015	133,413
 Total property and equipment, net	 \$ 94,820,143	 \$ 94,741,315

### Note 6 – Bonds Payable

Outstanding bonds payable as of June 30, 2024, represents tax-exempt, fixed rate revenue term bonds (899 Charleston Project), Series 2014A (2014 Bonds) issued on November 20, 2014, by the California Statewide Communities Development Authority (the Authority) in the amount of \$71,345,000, with a final maturity on November 1, 2049. The 2014 Bonds were a limited obligation of the California Statewide Communities Development Authority, which were issued pursuant to an Indenture of Trust between the Authority and the Bond Trustee. The proceeds from the 2014 Bonds were loaned to the Organization under a loan agreement between the Authority and the Organization. The Organization used the proceeds from the 2014 Bonds to (1) refund the then existing bonds payable (the 2007 Bonds, described below), (2) to repay all of the term loans outstanding under the Letter of Credit, to repay a portion of the outstanding loan payable to the Foundation, and all of the loan payable to the San Francisco Campus (see Note 7 for further description of all term loans), and (3) pay the bond issuance cost and set aside required reserve funds. The 2014 Bonds were secured by funds held by the Bond Trustee and a Deed of Trust secured by the land, buildings, revenue from resident payments including entrance fees, and other assets of the Organization.

## 899 Charleston dba Moldaw Residences

### Notes to Financial Statements

---

The 2014 Bonds, which were issued with six term dates maturing on November 1, 2019, 2024, 2029, 2034, 2044, and 2049, had face value interest rates ranging from 5.000% to 5.375%, but were priced with yields ranging from 2.950% to 5.350%. The average interest cost on the 2014 Bonds was approximately 5.250%. The Organization made semi-annual payments to the Bond Trustee of interest (in May and November) and principal sinking fund payments (in November). The principal sinking fund payments were sufficient to meet the term bond maturities when due. Annual debt service payments varied slightly, with the maximum annual debt service being \$4,449,519. Under the Master Indenture, the Organization covenanted that it would, among other requirements, maintain a debt service coverage ratio of 1.25 for each fiscal year. Furthermore, the Organization covenanted that it would maintain days' cash on hand of 180 days on each June 30 and December 31 while the 2014 Bonds are outstanding.

In November 2024, tax-exempt, fixed-rate revenue term bonds (Moldaw Residences) Series 2024 (2024 Bonds) were issued by the Authority in the amount of \$59,450,000, which will mature on November 1, 2049. The 2024 Bonds are a limited obligation of the California Statewide Communities Development Authority, which were issued pursuant to an Indenture of Trust between the Authority and the Bond Trustee. The proceeds from the 2024 Bonds were loaned to the Organization under a loan agreement between the Authority and the Organization. The Organization used the proceeds from the 2024 Bonds to (1) refund the then existing bonds payable (the 2014 Bonds, described above) and (2) pay the bond issuance cost and set aside required reserve funds. The 2024 Bonds are secured by funds held by the Bond Trustee and a Deed of Trust secured by the land, buildings, revenue from resident payments including entrance fees, and other assets of the Organization.

The 2024 Bonds have face value interest rates ranging from 4.250% to 5.000%, but were priced with yields ranging from 2.870% to 4.250%. The Organization makes semi-annual payments to the Bond Trustee of interest (in May and November) and principal sinking fund payments (in November). The principal sinking fund payments are sufficient to meet the term bond maturities when due. Annual debt service payments vary slightly, with the maximum annual debt service being \$4,094,100. Under the Regulatory Agreement, the Organization covenants that it will, among other requirements, maintain a debt service coverage ratio of 1.25 for each fiscal year. Furthermore, the Organization covenants that it will maintain days' cash on hand of 180 days and a current ratio of at least 1.50 on each June 30, while the 2024 Bonds are outstanding.

Management believes that the Organization was in compliance with these covenants as of the June 30, 2025, measurement date.

As of June 30, the following is reflected in the statements of financial position of the Organization pertaining to the 2014 and 2024 Bonds:

	2025	2024
Bonds payable, current portion	<u>\$ 1,180,000</u>	<u>\$ 1,135,000</u>
Bonds payable, net:		
Long-term portion of bonds payable	\$ 58,270,000	\$ 62,175,000
Unamortized bond premium	3,725,663	110,931
Unamortized bond issue cost	<u>(3,299,335)</u>	<u>(1,344,763)</u>
	<u><u>\$ 58,696,328</u></u>	<u><u>\$ 60,941,168</u></u>

# 899 Charleston dba Moldaw Residences

## Notes to Financial Statements

---

Bond issuance costs are deferred and amortized using the effective interest method over the term of the bond liability.

The following provides the current and future principal obligations for the 2024 Bonds:

Years Ending June 30,

2026	\$ 1,180,000
2027	1,280,000
2028	1,345,000
2029	1,415,000
2030	1,485,000
Thereafter	<u>52,745,000</u>
	<u><u>\$ 59,450,000</u></u>

### **Note 7 – Loans Payable, Net**

Loans payable, net consist of the following as of June 30:

	2025	2024
Loans from the Foundation	\$ 4,200,000	\$ 4,800,000
Less: discount on loans	<u>(459,108)</u>	<u>(527,974)</u>
 Total	 3,740,892	 4,272,026
 Less: current portion	 <u>(600,000)</u>	 <u>(600,000)</u>
 Loans payable, net of current portion	 <u><u>\$ 3,140,892</u></u>	 <u><u>\$ 3,672,026</u></u>

During the years ended June 30, 2011 and 2010, the Foundation provided the Organization with loans totaling \$7,000,000 to fund the Organization's project deficiencies and operational needs as guarantor under the letter of credit agreement. With the issuance of the 2014 Bonds (see Note 6), \$1,000,000 of these loans were repaid to the Foundation. Under the terms of the 2014 Bonds Master Indenture and a Debt Modification Agreement between the Organization and the Foundation, the remaining \$6,000,000 outstanding principal amount of the loan originally due as of June 30, 2016, may be repaid by the Organization in 20 semi-annual installments if the Organization meets certain financial requirements and tests. The Organization met these tests during the 12 months ended December 31, 2019, and thus made the first \$300,000 payment on this loan in February 2020. An additional payment in the amount of \$300,000 was made in August 2020 based on the Organization meeting the financial requirements for the 12 months ended June 30, 2020. The Organization did not meet these requirements again until the 12 months ended June 30, 2023, upon which principal payments of \$600,000 were made during both years ended June 30, 2025 and 2024. The loan provides for 0% interest and has been discounted to present value in the financial statements using a rate of 3.25%. The Organization amortized \$68,866 of this discount for both years ended June 30, 2025 and 2024, respectively, which is reflected as interest expense in the statements of revenues and expenses.

**899 Charleston dba Moldaw Residences**  
**Notes to Financial Statements**

---

**Note 8 – Fair Value Measurements**

The following fair value hierarchy tables present information about the Organization's financial instruments measured at fair value on a recurring basis as of June 30:

Description	Balance as of June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
<b>Assets:</b>								
Investments:								
Money market funds	\$ 19,081,211	\$ 19,081,211	\$ -	\$ -				
Equity mutual funds	4,737,214	4,737,214	-	-				
Fixed income mutual funds	<u>6,172,771</u>	<u>6,172,771</u>	-	-				
Total investments	29,991,196	29,991,196	-	-				
Debt service fund (money market funds)	<u>3,668,596</u>	<u>3,668,596</u>	-	-				
	<u><u>\$ 33,659,792</u></u>	<u><u>\$ 33,659,792</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>				
Description	Balance as of June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
<b>Assets:</b>								
Investments:								
Money market funds	\$ 17,976,655	\$ 17,976,655	\$ -	\$ -				
Equity mutual funds	4,320,316	4,320,316	-	-				
Fixed income mutual funds	<u>6,021,199</u>	<u>6,021,199</u>	-	-				
Total investments	28,318,170	28,318,170	-	-				
Debt service fund (money market funds)	<u>4,513,397</u>	<u>4,513,397</u>	-	-				
	<u><u>\$ 32,831,567</u></u>	<u><u>\$ 32,831,567</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>				

## 899 Charleston dba Moldaw Residences

### Notes to Financial Statements

---

The following table summarizes the changes in the Organization's Level 3 financial instruments:

	Beneficial Interest in Jewish Home & Senior Living Foundation
Balance, June 30, 2023	\$ 8,330,396
Change in value	407,774
Withdrawals	(239,745)
Transfer to the Organization	<u>(8,498,425)</u>
Balance, June 30, 2024	<u>\$ -</u>

The valuation methodologies used to determine the fair values of assets and liabilities under the "exit price" for fair value measurement reflect market-participant objectives and are based on the application of the fair value hierarchy that prioritizes observable market inputs over unobservable inputs. The Organization determines the fair values of certain financial assets and financial liabilities based on quoted market prices, where available. The Organization also determines fair value based on future cash flows discounted at the appropriate current market rate. Fair values reflect adjustments for counterparty credit quality, the Organization's credit standing, liquidity and, where appropriate, risk margins on unobservable parameters.

The Organization's management, under the supervision of its Board of Trustees, determines the fair value measurement policies and procedures. These policies and procedures are reassessed annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information. In determining the reasonableness of the methodology, management evaluates a variety of factors including a review of existing agreements, economic conditions, and industry and market developments. Certain unobservable inputs are assessed through review of contract terms (duration and payout data) while others are substantiated utilizing available market data (discount rates and mortality table). The following are the techniques used to determine fair values for the financial instruments listed in the above tables:

- Debt service funds consist of cash equivalents, including money market funds, which approximates fair value.
- Beneficial interest in Foundation – The fair value is determined based on the Organization's ownership interest in investments measured at quoted market prices.

## 899 Charleston dba Moldaw Residences

### Notes to Financial Statements

---

Fair values of the Organization's financial instruments as of June 30, 2025 and 2024, which are not measured at fair value on a recurring basis, are as follows:

- Accounts receivable, prepaid expenses and other current assets, notes receivable, other receivables, accounts payable, accrued liabilities, deferred monthly fees, refundable deposits, and refundable entrance fees – The carrying amount approximates fair value due to their short-term nature.
- Loans payable – The carrying value approximates fair value as they are carried at the amounts to be paid discounted to present value.
- Future service benefit obligation – The carrying value approximates fair value as it is carried at the amounts to be paid discounted to present value.

#### **Note 9 – Endowment Funds**

The Organization follows ASC 958 for reporting endowment funds. The standard provides guidance on the net asset classification of donor-restricted endowment funds that are subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The State of California adopted a version of the UPMIFA, known as the State Prudent Management of Institutional Funds Act (SPMIFA).

SPMIFA moves away from the concept of corpus with its "historical dollar value" in an endowment. Charities are encouraged to develop spending policies that are responsive to short-term fluctuations in the value of the fund, preserve the value of the fund for future use, and honor the charitable purpose of the fund. The Organization continues to balance the endurance of its funds and the needs of the community in its granting policies and practices.

The Organization's endowment assets are generally donor-restricted endowment funds established to generate support for residents of the Project or accepted applicants who cannot afford a portion of either the entry fee or the continuing monthly costs. As required by ASC 958, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of relevant law** – The Board of Trustees of the Organization has interpreted SPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are approved for appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

## **899 Charleston dba Moldaw Residences**

### **Notes to Financial Statements**

---

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the organization and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the organization; and
- (7) The investment policies of the organization.

**Return objectives and risk parameters** – The Organization has adopted investment and spending policies for endowment assets that will ultimately provide a predictable stream of funding to provide support for the various programs of the Organization while seeking to maintain the original gift value of the endowment asset. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to realize a competitive rate of return comparable to index benchmarks.

**Strategies employed for achieving objectives** – To satisfy its long-term rate-of-return objectives, the Organization relies on a diversified asset investment strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation of investments to achieve its long-term return objectives within prudent risk constraints.

**Spending policy and how the investment objectives relate to spending policy** – The Organization has a policy of appropriating for distribution of income, both current and accrued, from the endowment funds to any resident who needs financial assistance for any aspect of their stay at the facilities of the Organization. The Organization expects to provide annual distributions of 5% of the market value of the endowment assets as determined quarterly and averaged over the preceding 36 months. The investment managers are required to invest funds to ensure that required distributions of income can be met.

**Funds with deficiencies** – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. No deficiency of this nature existed as of June 30, 2025 and 2024.

**899 Charleston dba Moldaw Residences**  
**Notes to Financial Statements**

---

Endowment net asset composition by type of fund as of June 30:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ <u>      </u> <u>      </u>	\$ <u>      </u> <u>      </u>	\$ <u>      </u> <u>      </u>
			2024
Donor-restricted endowment funds	\$ <u>      </u> <u>      </u>	\$ <u>      </u> <u>      </u>	\$ <u>      </u> <u>      </u>

Endowment net asset composition by type of fund as of June 30:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ <u>      </u> <u>      </u>	\$ <u>      </u> <u>      </u>	\$ <u>      </u> <u>      </u>
Withdrawals - charitable care	- - -	(499,023) 841,186	(499,023) 841,186
Investment return			
Endowment net assets, end of year	\$ <u>      </u> <u>      </u>	\$ <u>      </u> <u>      </u>	\$ <u>      </u> <u>      </u>
			2024
Endowment net assets, beginning of year	\$ <u>      </u> <u>      </u>	\$ <u>      </u> <u>      </u>	\$ <u>      </u> <u>      </u>
Withdrawals - charitable care	- - -	(476,710) 745,013	(476,710) 745,013
Investment return			
Endowment net assets, end of year	\$ <u>      </u> <u>      </u>	\$ <u>      </u> <u>      </u>	\$ <u>      </u> <u>      </u>

# 899 Charleston dba Moldaw Residences

## Notes to Financial Statements

---

### Note 10 – Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30 were restricted to the following:

	2025	2024
Earnings on endowment net assets	\$ 4,226,512	\$ 3,884,349
Moldaw library fund/general funds	519,768	515,457
To be held in perpetuity	<u>4,714,350</u>	<u>4,714,350</u>
	<u><u>\$ 9,460,630</u></u>	<u><u>\$ 9,114,156</u></u>

Net assets were released from restrictions during 2025 and 2024 for the following purposes:

	2025	2024
Satisfaction of purpose	<u><u>\$ 499,023</u></u>	<u><u>\$ 476,710</u></u>

### Note 11 – Financially Interrelated Organizations

**Taube-Koret Campus for Jewish Life Owners Association** – Certain components of the property, facilities, and operations of the Organization and the Oshman Family Jewish Community Center of Palo Alto (Jewish Community Center) are common to both organizations. The Taube-Koret Campus for Jewish Life Owners Association (TKCJL-OA) administers those functions, properties, and facilities that are common to both. As required by law, the TKCJL-OA is required to prepare a reserve analysis of future capital replacement needs for the common areas of the campus. This reserve analysis projects the amount of funds that are required to be set aside on a current basis to meet future capital needs. TKCJL-OA and the Organization are financially interrelated entities and as such, the Organization's statements of financial position reflect an interest in TKCJL-OA of \$758,324 and \$976,841 as of June 30, 2025 and 2024, respectively, which is the Organization's share of residual net assets of TKCJL-OA based upon the capital reserve assessments the Organization provided to TKCJL-OA and adjusted for changes in net assets.

TKCJL-OA has a separate board of directors over which 899 Charleston does not exercise majority control and, therefore, the operations of TKCJL are not included in the accompanying financial statements.

**The Foundation** – The Foundation provided the Organization with noninterest-bearing loans totaling \$7 million to fund the Organization's project deficiencies and operational needs as guarantor under a letter of credit agreement. The Foundation fulfilled its obligation under a support and guarantee agreement. Subsequent payments have been made resulting in a remaining balance of \$4,200,000 and \$4,800,000 outstanding for the years ended June 30, 2025 and 2024, respectively (see Note 7).

The Foundation held and invested the endowment funds on behalf of the Organization until the year ended June 30, 2024, during which the endowment funds were transferred to the Organization.

# 899 Charleston dba Moldaw Residences

## Notes to Financial Statements

---

The Foundation has a separate board of trustees over which the Organization does not exercise majority control and, therefore, the operations of the Foundation are not included in the accompanying financial statements.

**The San Francisco Campus** – The San Francisco Campus has a separate board of trustees over which the Organization does not exercise majority control and, therefore, the operations of the San Francisco Campus are not included in the accompanying financial statements.

### **Note 12 – Management Agreement**

In August 2021, the Organization entered into a contract with Life Care Services (LCS) for management of the community effective October 2021. Under the terms of the agreement, LCS supervises the operations of the community. During the years ended June 30, 2025 and 2024, the Organization paid \$724,291 and \$665,916, respectively, for management and marketing services.

### **Note 13 – Retirement Plan**

The Organization sponsors a 403(b) defined contribution plan for its employees. The plan covers substantially all employees meeting certain eligibility requirements. Total expenses under the plan were \$121,088 and \$81,720 for the years ended June 30, 2025 and 2024, respectively.

### **Note 14 – Functional Classification of Expenses**

Expenses by function for the years ended June 30 were as follows:

	For the Year Ended June 30, 2025			
	Program Activities	Management and General	Fundraising	Total
Salaries and wages	\$ 7,076,701	\$ 576,113	\$ -	\$ 7,652,814
Employee benefits and payroll taxes	1,426,667	218,372	-	1,645,039
Contract services and professional fees	2,293,354	2,030,594	-	4,323,948
Supplies, utilities, and maintenance	2,081,757	58,545	-	2,140,302
Interest	3,036,501	-	-	3,036,501
Depreciation	3,947,396	-	-	3,947,396
Other	1,244,314	18,244	-	1,262,558
Total	<u>\$ 21,106,690</u>	<u>\$ 2,901,868</u>	<u>\$ -</u>	<u>\$ 24,008,558</u>

**899 Charleston dba Moldaw Residences**  
**Notes to Financial Statements**

---

	For the Year Ended June 30, 2024			
	Program Activities	Management and General	Fundraising	Total
Salaries and wages	\$ 6,244,331	\$ 621,477	\$ -	\$ 6,865,808
Employee benefits and payroll taxes	1,162,928	202,330	-	1,365,258
Contract services and professional fees	2,206,936	2,068,249	-	4,275,185
Supplies, utilities, and maintenance	1,784,630	51,809	-	1,836,439
Interest	3,953,600	-	-	3,953,600
Depreciation	3,896,319	-	-	3,896,319
Other	5,327	39,924	-	45,251
<b>Total</b>	<b>\$ 19,254,071</b>	<b>\$ 2,983,789</b>	<b>\$ -</b>	<b>\$ 22,237,860</b>

**Note 15 – Commitments and Contingencies**

**Litigation** – In the normal course of business, the Organization is, from time to time, subject to allegations that may or do result in litigation. The Organization evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

**Regulatory matters** – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, and government healthcare program participation requirements.

**Note 16 – Liquidity and Availability**

The following table reflects the Organization's financial assets as of June 30 reduced by amounts not available for general expenditure within one year:

	2025	2024
Cash and cash equivalents	\$ 13,780,743	\$ 7,985,045
Investments	29,991,196	28,318,170
Accounts receivable	66,220	93,544
Notes receivable	<u>4,057,161</u>	<u>1,855,824</u>
 Current financial assets	 47,895,320	 38,252,583
 Less those unavailable for general expenditure within one year, due to:		
Water Quality Control Board Escrow Account	-	39,004
Endowment Fund	<u>8,940,862</u>	<u>8,598,699</u>
 Financial assets available to meet cash needs for general expenditure within one year	 <u>\$ 38,954,458</u>	 <u>\$ 29,614,880</u>

**899 Charleston dba Moldaw Residences**  
**Notes to Financial Statements**

---

Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization reviews its funding level on an ongoing basis to ensure it is adequate to meet its current obligations.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Report of Independent Auditors and  
Continuing Care Liquid Reserve Schedules with  
Supplementary Schedules

**899 Charleston  
dba Moldaw Residences**

June 30, 2025

# Table of Contents

---

<b>Report of Independent Auditors</b>	<b>1</b>
<b>Continuing Care Liquid Reserve Schedules</b>	
Form 5-1: Long-Term Debt Incurred in Prior Fiscal Year	5
Form 5-2: Long-Term Debt Incurred During Fiscal Year	6
Form 5-3: Calculation of Long-Term Debt Reserve Amount	7
Form 5-4: Calculation of Net Operating Expenses	8
Form 5-5: Annual Reserve Certification	9
Notes to Continuing Care Liquid Reserve Schedules	10
<b>Supplementary Schedules</b>	
Attachment to Form 5-2: Total Interest Paid During Fiscal Year	12
Attachment to Form 5-4: Deductions from Operating Expenses	13
Attachment to Form 5-5: Schedule of Qualifying Assets – Debt Service Reserve and Operating Reserve	14
Attachment to Form 5-5: Required Disclosure Under Section 1790(a)(2)	15

## **Report of Independent Auditors**

To the Board of Trustees  
899 Charleston dba Moldaw Residences

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of 899 Charleston dba Moldaw Residences, which comprise the continuing care liquid reserve schedules, Form 5-1 through Form 5-5, for the year ended June 30, 2025.

In our opinion, the financial statements referred to above present fairly, in all material respects, the continuing care liquid reserves of 899 Charleston dba Moldaw Residences as of and for the year ended June 30, 2025, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 899 Charleston dba Moldaw Residences and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Basis of Accounting***

We draw attention to the basis of accounting used to prepare the financial statements. The financial statements are prepared by 899 Charleston dba Moldaw Residences on the basis of the liquid reserve requirements of California Health and Safety Code Section 1792, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of California Health and Safety Code Section 1792. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the liquid reserve requirements of California Health and Safety Code Section 1792, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 899 Charleston dba Moldaw Residences' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 899 Charleston dba Moldaw Residences' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal-control-related matters that we identified during the audit.

### ***Other Matter***

Our audit was conducted for the purpose of forming an opinion on the financial statements, as a whole. The accompanying Attachment to Form 5-2: Total Interest Paid During Fiscal Year; Attachment to Form 5-4: Deductions from Operating Expenses; Attachment to Form 5-5: Schedule of Qualifying Assets – Debt Service Reserve and Operating Reserve; and Attachment to Form 5-5: Required Disclosure Under Section 1790 (a)(2); presented as supplementary schedules, are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements, taken as a whole.

***Restriction on Use***

Our report is intended solely for the information and use of the Board of Trustees and management of 899 Charleston dba Moldaw Residences and the California Department of Social Services, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Baker Tilly US, LLP*

San Francisco, California

October 9, 2025

## **Continuing Care Liquid Reserve Schedules**

**899 Charleston dba Moldaw Residences**  
**Form 5-1: Long-Term Debt Incurred in Prior Fiscal Year**

---

**FORM 5-1: LONG-TERM DEBT INCURRED IN A PRIOR FISCAL YEAR (INCLUDING BALLOON DEBT)**

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Interest Paid During Fiscal Year	(d) Credit Enhancement Premiums Paid in Fiscal Year	(e) Total Paid (columns (b) + (c) + (d))
1	11/17/14	\$600,000	\$0	\$0	\$600,000
<b>TOTAL:</b>			\$0	\$0	\$600,000

*(Transfer this amount to  
Form 5-3, Line 1)*

**NOTE:** For column (b), do not include voluntary payments made to pay down principal.

**NOTE:** For column (c), amount does not include amortized discount on subordinated note.

**NOTE:** The debt listed on line 1 of this schedule is a zero interest loan from the Jewish Home & Senior Living Foundation. Principal repayments are contingent on 899 Charleston achieving certain financial milestones.

**PROVIDER:** 899 Charleston DBA: Moldaw Residences FYE 6/30/2025

**899 Charleston dba Moldaw Residences**  
**Form 5-2: Long-Term Debt Incurred During Fiscal Year**

---

**FORM 5-2: LONG-TERM DEBT INCURRED DURING FISCAL YEAR (INCLUDING BALLOON DEBT)**

Long-Term Debt Obligation	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments Over Next 12 Months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1	11/13/24	\$1,338,797	\$1,338,797	2	\$2,677,594
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
<b>TOTAL:</b>		<b>\$1,338,797</b>	<b>\$1,338,797</b>		<b>\$2,677,594</b>

*(Transfer this amount to  
Form 5-3, Line 2)*

**PROVIDER:** 899 Charleston DBA: Moldaw Residences FYE 6/30/2025

---

**899 Charleston dba Moldaw Residences**  
**Form 5-3: Calculation of Long-Term Debt Reserve Amount**

---

**FORM 5-3: CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT**

Line	TOTAL
1	\$600,000
2	<u>\$2,677,594</u>
3	\$0
4	<b>TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:</b> <u>\$3,277,594</u>

**PROVIDER:** 899 Charleston DBA: Moldaw Residences FYE 6/30/2025

---

**899 Charleston dba Moldaw Residences**  
**Form 5-4: Calculation of Net Operating Expenses**

---

**FORM 5-4: CALCULATION OF NET OPERATING EXPENSES**

Line	Description	Amounts	TOTAL
1	Total operating expenses from financial statements	\$ 24,008,558	
2	Deductions:		
a.	Interest paid on long-term debt (see instructions)	\$ 1,338,797	
b.	Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
c.	Depreciation	\$ 3,947,396	
d.	Amortization	\$ 57,777	
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 894,343	
f.	Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions	\$ 6,238,313	
4	Net Operating Expenses	\$ 17,770,245	
5	Divide Line 4 by 365 and enter the result.	\$ 48,686	
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.	<u>\$ 3,651,450</u>	

**PROVIDER:** 899 Charleston DBA: Moldaw Residences FYE 6/30/2025

**COMMUNITY:** Moldaw Residences

---

## 899 Charleston dba Moldaw Residences

### Form 5-5: Annual Reserve Certification

---

**FORM 5-5: ANNUAL RESERVE CERTIFICATION**

Provider Name: 899 Charleston DBA: Moldaw Residences  
Fiscal Year Ended: June 30, 2025

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended June 30, 2025 and are in compliance with those requirements.

Our liquid reserve requirements, computed using the audited financial statements for the fiscal year are as follows:

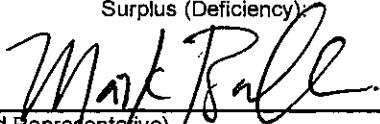
	<u>Amount</u>
[1] Debt Service Reserve Amount	<u>\$3,277,594</u>
[2] Operating Expense Reserve Amount	<u>\$3,651,450</u>
[3] Total Liquid Reserve Amount:	<u>\$6,929,044</u>

Qualifying assets sufficient to fulfill the operating reserve and debt service reserve requirements, based on market value at end of fiscal year where applicable, are held as follows:

	<u>Qualifying Asset Description</u>	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4]	Cash and Cash Equivalents	\$ <u>-</u>	\$ <u>5,532,549</u>
[5]	Investment Securities	\$ <u>-</u>	\$ <u>21,050,334</u>
[6]	Equity Securities	\$ <u>-</u>	\$ <u>-</u>
[7]	Unused/Available Lines of Credit	\$ <u>-</u>	\$ <u>-</u>
[8]	Unused/Available Letters of Credit	\$ <u>-</u>	\$ <u>-</u>
[9]	Debt Service Reserve	\$ <u>3,668,596</u>	(not applicable)
[10]	Other: Qualifying assets used in these reserves are described as follows:	\$ <u>-</u>	\$ <u>-</u>

Total Amount of Qualifying Assets Listed for Reserve Obligation:	[11]	<u>\$3,668,596</u>	[12]	<u>\$26,582,883</u>
Reserve Obligation Amount:	[13]	<u>\$3,277,594</u>	[14]	<u>\$3,651,450</u>
Surplus (Deficiency):	[15]	<u>\$391,002</u>	[16]	<u>\$22,931,433</u>

Signature:



(Authorized Representative)

Mark Baddas, Executive Director

Date: October 9, 2025

**899 Charleston dba Moldaw Residences**  
**Notes to Continuing Care Liquid Reserve Schedules**  
**June 30, 2025**

---

**Note 1 – Basis of Accounting**

The accompanying continuing care reserve reports have been prepared in accordance with the provisions of the California Health and Safety Code Section 1792 administered by the State of California Department of Social Services.

**Note 2 – Long-Term Debt**

In accordance with the California Health and Safety Code Section 1792, 899 Charleston dba Moldaw Residences has excluded \$63,310,000 of bond principal repayments made during the year ended June 30, 2025 from Form 5-1 as they were voluntary repayments to pay down principal and were made related to long-term debt arrangements that were no longer outstanding as of June 30, 2025. The most recent payment on the debt outstanding as of June 30, 2025, shown in Form 5-2, is an interest only payment of \$1,338,797 made prior to June 30, 2025. The next scheduled payment on the debt due in November 2025 is \$2,614,425 and includes both principal and interest payments.

## **Supplementary Schedules**

**899 Charleston dba Moldaw Residences**  
**Attachment to Form 5-2: Total Interest Paid During Fiscal Year**

---

899 Charleston DBA:  
Moldaw Residences  
Support Schedule for Form 5-2  
Line 1 (b) Interest Paid During the Fiscal Year  
FYE June 30, 2025

Reconciliation of bond interest paid during fiscal year per Form 5-2, line 1 (b) to amount reported in the statement of cash flows:

Interest paid, per the statement of cash flows	\$ 2,994,587
Less: Cash payments for interest on debt refunded prior to June 30, 2025	<u>(1,655,790)</u>
Total interest paid during the fiscal year, Form 5-2, Line 1 (b)	<u>\$ 1,338,797</u>

**899 Charleston dba Moldaw Residences**  
**Attachment to Form 5-4: Deductions from Operating Expenses**

---

899 Charleston DBA:  
Moldaw Residences

Support Schedule for Form 5-4 Calculation of Net Operating Expenses, Lines 2a, 2d, and 2e  
FYE June 30, 2025

Line 2e: Revenues received during the fiscal year for services to persons who did not have a continuing care contract

Cash received from services and other income per statement of cash flows	\$ 214,744
Other revenues for services to residents (including accrued income)	<u>(39,407)</u>
Total revenues for services to nonresidents	175,337
Revenues from residents without continuing care contract	<u>719,006</u>
Total revenues received during the fiscal year for services to persons who did not have a continuing care contract, Form 5-4, line 2e	<u>\$ 894,343</u>
Cash received from resident fees per the statement of cash flows	\$ 15,853,652
Less: cash received from resident fees with continuing care contracts	<u>15,134,646</u>
Revenues from residents without continuing care contract	<u>\$ 719,006</u>

**899 Charleston dba Moldaw Residences**  
**Attachment to Form 5-5: Schedule of Qualifying Assets – Debt Service Reserve and**  
**Operating Reserve**

---

899 Charleston DBA:  
 Moldaw Residences  
 Support Schedule for Form 5-5, Annual Reserve Calculation, line 4, 5, 9, and 11  
 FYE June 30, 2025

		Amount	
		DEBT RESERVE	OPERATING RESERVE
	Qualifying Asset Description		
	Operating checking accounts	\$ -	\$ 13,780,743
	Less: amount related to entrance fee refunds payable per the statement of financial position	- -	(7,706,329)
	Less: amount related to refundable deposits per the statement of financial position	- -	(541,865)
Line 4	Total cash and cash equivalents	\$ -	\$ 5,532,549
	Investment securities	- -	29,991,196
	Less: Amount related to endowment net assets per the audited financial statements	- -	(8,940,862)
Line 5	Total investment securities	- -	21,050,334
Line 9	Debt service reserve in trust	3,668,596	- -
Line 11	Total Amount of Qualifying Assets listed for reserve obligation	<u>\$ 3,668,596</u>	<u>\$ 26,582,883</u>
		<b>TOTAL AMOUNT OF QUALIFYING ASSETS FOR DEBT RESERVE AND OPERATING RESERVE</b>	<b><u>\$ 30,251,479</u></b>
	Cash and cash equivalents per the statement of financial position	\$ 13,780,743	
	Investments	29,991,196	
	Debt service fund - current per the statement of financial position	1,615,333	
	Debt service fund - non-current per the statement of financial position	2,053,263	
	Total Amount Of Qualifying Assets For Debt Reserve And Operating Reserve	47,440,535	
	Less: amount related to entrance fee refunds payable per the statement of financial position	(7,706,329)	
	Less: amount related to refundable deposits to prospective residents and refundable parking deposits	(541,865)	
	Less: amount related to endowment net assets	(8,940,862)	
	Total Amount Of Qualifying Assets For Debt Reserve And Operating Reserve	<u>\$ 30,251,479</u>	

**899 Charleston dba Moldaw Residences**  
**Attachment to Form 5-5: Required Disclosure Under Section 1790(a)(2)**

---

899 Charleston DBA:

Moldaw Residences

Fiscal Year Ended June 30, 2025

Support Schedule for Form 5-5, Annual Reserve Calculation (continued)

Required Disclosure under Section 1790(a)(2) of the Health and Safety Code

Escrow entrance fees – This amount represents entrance fees collected beginning September 1, 2010, that are to be used to make principal payments on the tax-exempt bonds pursuant to loan agreements.

\$ 21,050,334

Debt service reserve fund – This amount represents the required reserve fund for the bonds. The moneys are reserve only to be used if other funds are insufficient to satisfy the debt service requirements.

3,668,596

24,718,930

Less: amount related to entrance fee refund payable per the statement of financial position

(7,706,329)

Less: amount related to refundable deposits per the statement of financial position

(541,865)

\$ 16,470,736

Total operating expenses

\$ 24,008,558

Per capita cost

\$ 111,151

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

# CONTINUING CARE RETIREMENT COMMUNITY DISCLOSURE STATEMENT

Date Prepared: 10/23/2025

Facility Name: Moldaw Residences

Address: 899 East Charleston Road Zip Code: 94303 Phone: 650-433-3600

Provider Name:

899 Charleston

Facility Operator: Life Care Services

Religious Affiliation: Jewish

Year Opened: 2009 # of Acres: Miles to Shopping Center: 1.6 Miles to Hospital: 5.5

Single Story  Multi-Story  Other:

**Number of Units:** 193

Residential Living	Number of Units	Health Care	Number of Units
Apartments – Studio:	0	Assisted Living:	12
Apartments – 1 Bdrm:	74	Skilled Nursing:	0
Apartments – 2 Bdrm:	84	Special Care:	11
Cottages/Houses:	12	Description:	Memory Support

RLU Occupancy (%) at Year End: 91.2%

**Type of Ownership:**  Not for Profit  
 For Profit

**Accredited?**  Yes By:  
 No

**Form of Contact:**  Continuing Care  Life Care  Entrance Fee  Fee for Service  
 (Check all that apply)  Assignment of Assets  Equity  Membership  Rental

**Refund Provisions:**  Refundable  90%  50%  
 (Check all that apply)  Repayable  75%  Other: 85
**Range of Entrance Fees:** \$ 401,566 - \$ 2,099,300**Long-Term Care Insurance Required?**  Yes  No**Health Care Benefits Included in Contract:** Discounted base fee for Assisted Living + MemCare**Entry Requirements:** Min Age: 62 Prior Profession: \_\_\_\_\_ Other: \_\_\_\_\_**Resident Representative(s) to, and Resident Members on, the Board:**

(briefly describe provider's compliance and residents' roles):

There is one Resident Director on the Board of Directors with the same voting rights as other Directors, and one non-voting Resident Representative

All providers are required by Health and Safety Code section 1789.1 to provide this report to prospective residents before executing a deposit agreement or continuing care contract or receiving any payment. Many communities are part of multi-facility operations which may influence financial reporting. Consumers are encouraged to ask questions of the continuing care retirement community that they are considering and to seek advice from professional advisors.

#### Facility Services and Amenities

Common Area Amenities	Available	Fee for Service	Services Available	Included in Fee	For Extra Charge
Beauty/Barber Shop	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Housekeeping ( <u>2</u> Times/ Month at \$_____ each)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Billiard Room	<input type="checkbox"/>	<input type="checkbox"/>	Meals ( <u>  </u> /Day)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bowling Green	<input type="checkbox"/>	<input type="checkbox"/>	Special Diets Available	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Card Rooms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	24-Hour Emergency Response	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chapel	<input type="checkbox"/>	<input type="checkbox"/>	Activities Program	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Coffee Shop	<input type="checkbox"/>	<input checked="" type="checkbox"/>	All Utilities Except Phone	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Craft Rooms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Apartment Maintenance	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Exercise Room	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Cable TV	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Golf Course Access	<input type="checkbox"/>	<input type="checkbox"/>	Linens Furnished	<input type="checkbox"/>	<input type="checkbox"/>
Library	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Linens Laundered	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Putting Green	<input type="checkbox"/>	<input type="checkbox"/>	Medication Management	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Shuffleboard	<input type="checkbox"/>	<input type="checkbox"/>	Nursing/Wellness Clinic	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Spa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Personal Home Care	<input type="checkbox"/>	<input type="checkbox"/>
Swimming Pool – Indoor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Transportation – Personal	<input type="checkbox"/>	<input type="checkbox"/>
Swimming Pool – Outdoor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Transportation – Prearranged	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tennis Court	<input type="checkbox"/>	<input type="checkbox"/>	Other: _____	<input type="checkbox"/>	<input type="checkbox"/>
Workshop	<input type="checkbox"/>	<input type="checkbox"/>			
Other: <u>Cultural Cent</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

**Provider Name:** 899 Charleston d/b/a Moldaw Residences

# Multi-Level Retirement Communities

Multi-Level Retirement Communities	Location (city, state)	Phone (with area code)

## **Free-Standing Skilled Nursing**

**Location (city, state)**

**Phone (with area code)**

---

---

---

## Subsidized Senior Housing

**Location (city, state)**

**Phone (with area code)**

---

---

---

---

**NOTE:** Please indicate if the facility is a life care facility.

**Provider Name:** 899 Charleston d/b/a Moldaw Residences

<b>Income and Expenses [Year]</b>	2022	2023	2024	2025
<b>Income from Ongoing Operations</b>				
<b>Operating Income</b>				
(Excluding amortization of entrance fee income)	\$12,075,675	\$13,295,889	\$14,751,402	\$16,142,094
<b>Less Operating Expenses</b>				
(Excluding depreciation, amortization, and interest)	\$12,863,158	\$13,638,670	\$14,387,941	\$17,024,661
<b>Net Income From Operations</b>	(\$787,483)	(\$342,781)	\$363,461	(\$882,567)
<b>Less Interest Expense</b>	\$3,226,751	\$3,718,731	\$3,953,600	\$3,036,501
<b>Plus Contributions</b>	\$25,226	\$0	\$1,372	\$17,821
<b>Plus Non-Operating Income (Expenses)</b>				
(Excluding extraordinary items)	\$110,016	\$1,017,651	\$1,848,164	\$1,872,042
<b>Net Income (Loss) Before Entrance Fees, Depreciation And Amortization</b>	(\$3,878,992)	(\$3,043,861)	(\$1,740,603)	(\$2,029,205)
<b>Net Cash Flow From Entrance Fees</b>				
(Total Deposits Less Refunds)	\$3,795,619	\$7,888,374	\$9,909,620	\$16,933,877

**Description of Secured Debt (as of most recent fiscal year end)**

Lender	Outstanding Balance	Interest Rate	Date of Origination	Date of Maturity	Amortization Period
California Statewide Comm	\$59,450,000	4.3-5.0%	11/1/2024	11/1/2049	11/1/2049

**Financial Ratios (see last page for ratio formulas)**

Financial Ratios [Year]	CCAC Medians 50th Percentile (optional)	2023	2024	2025
<b>Debt to Asset Ratio</b>		0.49	0.47	0.42
<b>Operating Ratio</b>		1.21	1.10	1.11
<b>Debt Service Coverage Ratio</b>		1.92	2.72	4.68
<b>Days Cash On Hand Ratio</b>		502	554	667

**Provider Name:** 899 Charleston d/b/a Moldaw Residences

**Historical Monthly Service Fees (Average Fee and Change Percentage)**

Residence/Service [Year]	2022	%	2023	%	2024	%	2025	%
Studio								
One Bedroom	\$3,948	4%	\$4,002	5.8%	\$4,973	9.5%	\$5,400	4.5%
Two Bedroom	\$5,767	4%	\$6,062	5.8%	\$7,014	9.5%	\$7,450	4.5%
Cottage/House	\$8,924	4%	\$9,343	5.8%	\$10,326	9.5%	\$10,716	4.5%
Assisted Living	\$7,355	4%	\$7,892	3.3%	\$8,463	9.5%	\$7,923	4.5%
Skilled Living								
Special Care	\$10,035	4%	\$9,678	0.8%	\$10,430	9.5%	\$10,139	4.5%

**Comments from Provider:**

The average fee for each line is the average of base service fees paid by residents. The change percentage is the increase applied to each resident's fees. Three bedroom units are reported on the line for Cottage/House.

**Financial Ratio Formulas**

**Long-Term Debt to Total Assets Ratio**

Long Term Debt, less Current portion
Total Assets

**Operating Ratio**

Total Operating Expenses - Depreciation Expense - Amortization Expense
Total Operating Revenues – Amortization of Deferred Revenue

**Debt Service Coverage Ratio**

Total Excess of Revenues Over Expenses + Interest, Depreciation, and Amortization Expenses + Amortization of Deferred Revenue + Net Proceeds from Entrance Fees
Annual Debt Service

**Days Cash On Hand Ratio**

Unrestricted Current Cash & Investments + Unrestricted Non-Current Cash and Investments
(Operating Expenses - Depreciation - Amortization)/365

**NOTE:** These formulas are also used by the Continuing Care Accreditation Commission. For each formula, that organization also publishes annual median figures for certain continuing care retirement communities.

## FORM 7-1 REPORT ON CCRC MONTHLY CARE FEES

---

Complete **Form 7-1** to report the monthly care fee increase (MCFI) for **each** community operated by the Provider. If no adjustments were made during the reporting period for a community, indicate by checking the box below **Line [2]**. Providers must complete a separate Form 7-1 for each of their continuing care retirement communities.

1. On **Line 1**, enter the amount of monthly care fees for each level of care at the *beginning* of the reporting period.
2. On **Line 2**, indicate the percentage(s) of increase in fees implemented during the *reporting* period.
3. On **Line 3**, indicate the date the fee increase was implemented. If more than one (1) increase was implemented, indicate the date(s) for each increase.
4. Check **each** of the appropriate boxes.
5. Provide a detailed explanation for the increase in monthly care fees including the total dollar amount for the community overall and corresponding percentage increase for each level of care in compliance with the Health and Safety Code. The explanation shall set forth the reasons, by department cost centers, for any increase in monthly care fee. It must include if the change in monthly care fees is due to any actual or projected costs related to any other CCRC community or enterprise affiliated with the provider or parent company.

The methodology used to budget future costs should align with one or more of the following factors: "projected costs, prior year per capita costs and economic indicators." Describe the methodology used for single or multiple communities. If there are multiple MCFI percentages, i.e., by level of care, a separate explanation for each MCFI will be required.

Also, if there is a positive result of operations, the provider will need to explain how the funds will be used and/or distributed consistent with disclosures made in the applicable sections of the Continuing Care Contract.

**This attachment should include the data used in the Monthly Care Fee Increase meeting presentation provided to residents, which will also include actual results and an explanation of any variances.**

**NOTE:** Providers shall retain all documents related to the development of adjusted fees at their respective communities for a period of at least three years, i.e., budgets, statements of operations, cost reports, used near the end of the prior fiscal year to develop adjustments implemented in the current reporting period. These documents must be available for review upon request by the Department.

**FORM 7-1**  
**REPORT ON CCRC MONTHLY CARE FEES**

1. Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)

2. Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)

Check here if monthly care fees at this community were not increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)

3. Indicate the date the fee increase was implemented: 9/01/2024  
 (If more than one (1) increase was implemented, indicate the dates for each increase.)

4. Check each of the appropriate boxes:

Each fee increase is based on the Provider's projected costs, prior year per capita costs, and economic indicators.

All affected residents were given written notice of this fee increase at least 30 days prior to its implementation.

**Date of Notice:** 6/28/2024

**Method of Notice:** Hand delivery and mail

At least 30 days prior to the increase in fees, the designated representative of the Provider convened a meeting that all residents were invited to attend. **Date of Meeting:** 6/20/24

At the meeting with residents, the Provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.

The Provider distributed the documents to all residents by [Optional - check all that apply]:

Emailed the documents to those residents for whom the provider had email addresses on file

Placed hard copies in resident cubby

Placed hard copies at designated locations

Provided hard copies to residents upon request, and/or

Other: [please describe] Electronic copies on request

**Date of Notice:** 6/20/24

RESIDENTIAL LIVING	ASSISTED LIVING	MEMORY CARE	SKILLED NURSING
<u>3,508-11,550</u>	<u>8,542-12,344</u>	<u>10,392-17890</u>	<u>NA</u>
<u>4.5%</u>	<u>4.5%</u>	<u>4.5%</u>	<u>N/A</u>

The Provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.

**Date of Notice:** 6/6/24

The governing body of the Provider, or the designated representative of the Provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting.

**Date of Posting:** 6/6/24      **Location of Posting:** Elevators, Entrance to Dining Room

Providers evaluated the effectiveness of consultations during the annual budget planning process at a minimum of every two years by the continuing care retirement community administration. The evaluation, including any policies adopted relating to cooperation with residents was made available to the resident association or its governing body, or, if neither exists, to a committee of residents at least 14 days prior to the next semiannual meeting of residents and the Provider's governing body and posted a copy of that evaluation in a conspicuous location at each facility.

**Date of Posting:** 6/27/25      **Location of Posting:** Mailroom

5. On an attached page, provide a detailed explanation for the increase in monthly care fees including the amount of the increase and compliance with the Health and Safety Code.

**PROVIDER:** 899 Charleston d/b/a Moldaw Residences    **COMMUNITY:** Moldaw Residences

---



---

Taube Koret Campus for Jewish Life

899 Charleston dba  
Moldaw Residences  
Support Schedule for Form 7-1, Item 5  
Fiscal Year Ending June 30, 2025

The goals of the annual budgeting and rate setting process of 899 Charleston dba Moldaw Residences (Moldaw) are to:

- Accurately reflect the costs to provide services and care to residents and comply with the Health and Safety Code;
- Accurately reflect the costs of Moldaw's other business needs, such as insurance coverage;
- Meet Moldaw's bond covenants; and
- Maintain or strengthen Moldaw's long-term financial sustainability.

The development of the budget is a multi-month process that begins with members of the Finance team assembling historical financial data and forecasting expense increases in the coming year. It concludes with the Board of Directors approving the budget. The process includes multiple internal reviews, including updates and presentations to the Board Finance Committee and the Resident Budget and Finance Committee before the budget is finalized and presented to all residents.

Budgeted service fee revenue for the residential units is calculated by considering current and projected occupancy percentages by unit type, as well as monthly fees for the unit, including the rate increase.

In Fiscal Year Ending June 30, 2025, Moldaw's monthly service fees increased 4.5% effective September 1, 2024. This increase was chosen to enable Moldaw to pay for its anticipated expenses, meet the financial covenants related to its bond debt, and allow continued investment in capital projects.

## Form 7-1 Attachment Monthly Care Fee Increase

[NOTE: The provider must include a narrative with this attachment to explain how they complied with the Health and Safety Code. Below is an example how the monthly care fee increase was determined in conjunction with the narrative using projected costs. This attachment does not address "Per Capita Costs" but could partly incorporate elements of "Economic Indicators" into the function of projecting future costs.]

### FORM 7-1 MONTHLY CARE FEE INCREASE (MCFI) ANNUAL REPORTING FISCAL YEAR (F/Y) 2025

Dollar Amounts in Thousands

Line	Fiscal Years	2023	2024	2025
1	F/Y 2023 Operating Expenses <sup>1</sup>	(\$13,639)		
2	F/Y 2024 Anticipated Operating Expenses <sup>2</sup> (Adjustments if any, Explained Below)		(\$14,209)	
3	Projected F/Y 2025 Operating Expense (Adjustments <sup>3</sup> Explained Below)			(\$15,503)
4	F/Y 2025 Anticipated MCF Revenue <sup>2</sup> Based on Current and Projected Occupancy and Other <sup>4</sup> without a MCFI			\$16,139
5	Projected F/Y 2025 (Net) Operating Results <sup>2</sup> without a MCFI (Line 3 plus Line 4)			\$636
6	Projected F/Y 2025 Anticipated Revenue Based on Current and Projected Occupancy and Other <sup>4</sup> with MCFI 4.5%			\$16,710
7	Grand Total - Projected FY 2025 Net Operating Activity After 4.5% MCFI (Line 3 plus Line 6)			\$1,207

**Monthly Care Fee Increase: 4.5%**

#### **Adjustments Explained:**

Operating Expense figures exclude depreciation, amortization, and interest expense.

<sup>1</sup> Enter to the total operating expenses from the independent audit of the Statement of Operations

<sup>2</sup> Internal Accounting and Budget Records does not include entrance fees

<sup>3</sup> "Adjustments" can include but not limited to reserves

<sup>4</sup> "Other" can include but not limited to Contributions and Ancillary