



**STATE OF CALIFORNIA DEPARTMENT OF
SOCIAL SERVICES**

ANNUAL REPORT

**CONTINUING CARE LICENSING DIVISION
AND
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED SEPTEMBER 30, 2025

ANNUAL REPORT CHECKLIST

FISCAL YEAR ENDED: 9/30/2025

PROVIDER(S):

CONGREGATIONAL HOMES, INC.

CCRC(S):

MT. SAN ANTONIO GARDENS

PROVIDER CONTACT PERSON:

JENNIFER OSBORNE, CFO

TELEPHONE NUMBER:

(909) 399-1281

E-MAIL ADDRESS:

josborne@the-gardens.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: \$31,951 _____
 - 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.



MT. SAN ANTONIO
GARDENS

CONGREGATIONAL HOMES, INC.

900 E. Harrison Avenue, Pomona, CA 91767
(909) 624-5061 Fax: (909) 621-3327

January 27, 2026

Continuing Care Contracts Branch
California Department of Social Services
744 P Street, M.S. 8-16-91
Sacramento, CA 95814

Dear Sir/Madam:

CERTIFICATION BY CHIEF EXECUTIVE OFFICER

1. The annual reserve report and any attachments thereto for our fiscal year ending 9/30/25 are correct to the best of my knowledge.
2. Each continuing care contract form in use or offered to new residents has been approved by the Department.
3. Mt. San Antonio Gardens has and will continue to maintain the required liquid reserve and, if applicable, the required refund reserve.

Sincerely,

Patricia Williams
President and CEO

FORM 1-1
RESIDENT POPULATION

<u>Line</u>	<u>Continuing Care Residents</u>	<u>TOTAL</u>
[1]	Number at beginning of fiscal year	444
[2]	Number at end of fiscal year	434
[3]	Total Lines 1 and 2	878
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	439
All Residents		
[6]	Number at beginning of fiscal year	459
[7]	Number at end of fiscal year	451
[8]	Total Lines 6 and 7	910
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	455
[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).	0.96

FORM 1-2
ANNUAL PROVIDER FEE

<u>Line</u>	<u>TOTAL</u>
[1]	Total Operating Expenses (including depreciation and debt service - interest only) \$41,550,782
[a]	Depreciation \$5,789,489
[b]	Debt Service (Interest Only) \$2,645,585
[2]	Subtotal (add Line 1a and 1b) \$8,435,074
[3]	Subtract Line 2 from Line 1 and enter result. \$33,115,708
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11) 96%
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4) \$31,951,200
[6]	Total Amount Due (multiply Line 5 by .001) x .001 \$31,951



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/11/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER (WC) Heffernan Insurance Brokers 1350 Carback Avenue Walnut Creek CA 94596 License#: 0564249 CONGHOM-01	CONTACT NAME: Walnut Creek AMS PHONE (A/C, No, Ext): 925-934-8500 E-MAIL ADDRESS: WalnutCreekAMS@heffins.com	FAX (A/C, No): 925-934-8278													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Care West Insurance Company</td> <td>10520</td> </tr> <tr> <td>INSURER B : Nationwide Mutual Insurance Company</td> <td>23787</td> </tr> <tr> <td>INSURER C : StarStone Specialty Insurance Company</td> <td>44776</td> </tr> <tr> <td>INSURER D : Federal Insurance Company</td> <td>20281</td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Care West Insurance Company	10520	INSURER B : Nationwide Mutual Insurance Company	23787	INSURER C : StarStone Specialty Insurance Company	44776	INSURER D : Federal Insurance Company	20281	INSURER E :		INSURER F :
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INSURER F :															
INSURED Congregational Homes, Inc. DbA Mt San Antonio Gardens 900 E. Harrison Avenue Pomona CA 91767															

COVERAGES **CERTIFICATE NUMBER:** 384935663 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> ABUSE <input checked="" type="checkbox"/> RETRO: 12/1/2025 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			ACP 3008499237	12/1/2025	12/1/2026	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 OCCUR/AGG \$ 1M/3M
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			ACP 3008499237	12/1/2025	12/1/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE DED RETENTION \$			ACP CU013088499237	12/1/2025	12/1/2026	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			W12501002038	1/1/2025	1/1/2026	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C D	<input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> CRIME			HLP90873780P-00 8260-5266	12/1/2025 12/1/2025	12/1/2026 12/1/2026	PER CLAIM/AGGREGATE LIMIT/DEDUCTIBLE 1M/1M \$500K/\$5K

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Re: As Per Contract or Agreement on File with Insured.

CERTIFICATE HOLDER California Department of Social Services 744 P Street Sacramento CA 95814	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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Report of Independent Auditors and
Financial Statements

**Congregational Homes, Inc.
dba Mt. San Antonio Gardens**

September 30, 2025 and 2024

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Report of Independent Auditors

The Board of Directors
Congregational Homes, Inc. dba Mt. San Antonio Gardens

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Congregational Homes, Inc. dba Mt. San Antonio Gardens, which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of operations, changes in net assets, 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 Congregational Homes, Inc. dba Mt. San Antonio Gardens as of September 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 Congregational Homes, Inc. dba Mt. San Antonio Gardens 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 Congregational Homes, Inc. dba Mt. San Antonio Gardens' 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 Congregational Homes, Inc. dba Mt. San Antonio Gardens' 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 Congregational Homes, Inc. dba Mt. San Antonio Gardens' 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 Information

Management is responsible for the other information included in the California Department of Social Services Annual Report. The other information comprises the Forms 1-1, 1-2, and 7-1, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Baker Tilly US, LLP

Irvine, California
December 5, 2025

Financial Statements

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Statements of Financial Position
September 30, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 8,784,530	\$ 3,801,220
Short-term investments	1,797,772	1,671,543
Accounts receivable, net	2,105,720	2,157,024
Assets limited as to use, required for current liabilities	-	4,675,015
Other current assets	666,200	532,616
Total current assets	13,354,222	12,837,418
NONCURRENT ASSETS		
Assets limited as to use, net of current portion	1,277,291	3,130,296
Assets limited by board as to use	29,623,222	27,205,080
Investments	24,375,474	21,836,912
Property, plant, and equipment, net	99,826,379	100,223,472
Total assets	\$ 168,456,588	\$ 165,233,178
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,376,625	\$ 1,112,175
Accrued expenses	2,693,047	2,494,134
Workers' compensation liability	80,899	82,024
Refundable deposits and other liabilities	82,551	124,614
Current portion of long-term debt	630,000	5,275,000
Total current liabilities	4,863,122	9,087,947
NONCURRENT LIABILITIES		
Liabilities under split-interest agreements	189,102	227,929
Deferred revenue from advance fees, including estimated refundable fees of \$150,000 in 2025 and 2024	63,003,044	57,588,296
Deferred revenue from service contracts	172,326	220,416
Asset retirement obligation	140,863	140,863
Long-term debt, net of current portion	60,448,712	61,306,660
Total liabilities	128,817,169	128,572,111
NET ASSETS		
Without donor restriction	23,223,335	22,644,653
With donor restriction	16,416,084	14,016,414
Total net assets	39,639,419	36,661,067
Total liabilities and net assets	\$ 168,456,588	\$ 165,233,178

See accompanying notes.

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Statements of Operations
Years Ended September 30, 2025 and 2024

	2025	2024
REVENUES		
Residential services	\$ 25,415,378	\$ 21,208,054
Patient services	3,428,919	2,942,135
Amortization of advance fees	6,184,826	4,314,138
Contributions	74,386	230,813
Other	1,140,586	1,012,518
Net assets released from donor restriction, used for operations	1,926,377	2,073,201
Total revenues	38,170,472	31,780,859
EXPENSES		
Salaries and benefits	22,343,465	20,643,950
Contract services and professional fees	5,962,912	5,730,477
Depreciation	5,789,489	5,086,566
Interest	2,428,199	1,983,704
Utilities	1,559,861	1,539,923
Taxes and insurance	1,122,914	1,057,471
Other expense	796,045	945,869
Supplies and equipment	641,610	603,071
Medical supplies and equipment	263,937	430,494
Repairs and maintenance	642,350	624,230
Total operating expenses	41,550,782	38,645,755
OPERATING LOSS	(3,380,310)	(6,864,896)
NONOPERATING (EXPENSES) REVENUES		
Net loss on disposal of capital assets	(85,439)	(44,953)
Solar credit	408,075	-
Interest and dividend income, net	1,135,549	1,219,791
Realized and unrealized gains on investments, net	2,285,538	4,400,781
Total nonoperating revenues, net	3,743,723	5,575,619
Excess (deficiency) of revenues over expenses	363,413	(1,289,277)
Net assets released for advance fee financial assistance	(73,700)	-
Net assets released from restriction for capital projects	288,969	635,442
Change in net assets without donor restriction	\$ 578,682	\$ (653,835)

See accompanying notes.

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Statements of Changes in Net Assets
Years Ended September 30, 2025 and 2024

	2025	2024
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION		
Excess (deficiency) of revenues over expenses	\$ 363,413	\$ (1,289,277)
Net assets released for advance fee financial assistance	(73,700)	-
Net assets released from restriction for capital projects	288,969	635,442
Change in net assets without donor restriction	578,682	(653,835)
CHANGE IN NET ASSETS WITH DONOR RESTRICTION		
Contributions	2,374,338	855,020
Changes in the actuarial value of split-interest agreements	(11,873)	(131,511)
Matured split-interest agreements	-	113,298
Net assets released from restrictions, used for operations	(1,926,377)	(2,073,201)
Net assets released from restriction for capital projects	(288,969)	(635,442)
Gardens Club activity	546,935	291,248
Interest and dividend income, net	464,083	378,230
Realized and unrealized gains on investments, net	1,241,533	2,192,532
Total change in net assets with donor restriction	2,399,670	990,174
CHANGE IN NET ASSETS	2,978,352	336,339
NET ASSETS – BEGINNING OF YEAR	36,661,067	36,324,728
NET ASSETS – END OF YEAR	\$ 39,639,419	\$ 36,661,067

See accompanying notes.

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Statements of Cash Flows – Direct Method
Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from residents	\$ 27,542,888	\$ 21,495,659
Cash received from advance fees	11,599,574	24,036,694
Cash paid from Cedars Development deposits	-	(1,592,177)
Cash received from contributions	2,847,015	1,341,735
Cash received from investment income	1,599,632	1,598,021
Cash received from other sources	2,244,843	2,034,282
Cash paid for interest on long-term debt	(2,645,585)	(2,950,474)
Cash paid to employees and vendors	<u>(32,816,174)</u>	<u>(33,084,157)</u>
Net cash from operating activities	<u>10,372,193</u>	<u>12,879,583</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(52,077,322)	(6,129,964)
Proceeds from sale of investments	50,521,460	6,737,496
Purchases of investments, assets limited as to use	(239,015)	(14,750,000)
Proceeds from sale of investments, assets limited as to use	449,098	23,580,083
Acquisition of property, plant, and equipment	<u>(5,183,986)</u>	<u>(11,388,527)</u>
Net cash used in investing activities	<u>(6,529,765)</u>	<u>(1,950,912)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(5,275,000)	(10,665,000)
Payments on split-interest agreements	(50,699)	(56,606)
Proceeds from contributions restricted for long-term purposes	<u>148,644</u>	<u>148,644</u>
Net cash used in financing activities	<u>(5,177,055)</u>	<u>(10,572,962)</u>
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(1,334,627)	355,709
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF THE YEAR	<u>11,396,776</u>	<u>11,041,067</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF THE YEAR	<u><u>\$ 10,062,149</u></u>	<u><u>\$ 11,396,776</u></u>

See accompanying notes.

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Statements of Cash Flows – Reconciliation to Operating Activities
Years Ended September 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,978,352	\$ 336,339
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	5,789,489	5,086,566
Deposits paid for Cedars Development	-	(1,592,177)
Advance fees received	12,646,938	24,271,349
Advance fees refunded	(1,047,364)	(234,655)
Amortization of bond premium	(288,110)	(291,869)
Amortization of entrance fees	(6,184,826)	(4,314,138)
Amortization of revenue from service contract	(48,090)	(48,091)
Change in credit loss reserves	248,456	248,956
Contributions restricted for long-term purposes	(148,644)	(148,644)
Donated capital assets	(293,849)	(641,557)
Net gains on investments	(3,527,071)	(6,593,313)
Changes in actuarial value of split-interest agreements	11,872	131,510
Amortization of deferred financing costs	60,162	60,162
Net loss on disposal of capital assets	85,439	44,953
(Decrease) increase in operating assets		
Accounts receivable	(197,152)	(1,632,766)
Other current assets	(134,709)	30,144
Increase (decrease) in operating liabilities		
Accounts payable	264,450	(25,378)
Accrued expenses	198,913	26,607
Legal settlement	-	(1,755,000)
Refundable deposits and other liabilities	(42,063)	(79,415)
Net cash from operating activities	\$ 10,372,193	\$ 12,879,583
SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS		
Donated capital assets	\$ 293,849	\$ 641,557
Accrued capital expenditures	\$ 495,102	\$ 266,710

See accompanying notes.

Congregational Homes, Inc. dba Mt. San Antonio Gardens

Notes to Financial Statements

Note 1 – Organization

Congregational Homes, Inc. dba Mt. San Antonio Gardens (MSAG), incorporated as a California not-for-profit public benefit corporation, is a nationally accredited life care retirement community. MSAG owns and operates 287 independent living units, 81 assisted living units, 10 memory care units, and 46 skilled nursing facility units.

The Gardens Club, consisting of all the residents of MSAG, engages in activities for the betterment of MSAG. The Gardens Club assets, net assets, and results of operations are included in MSAG's financial statements as part of net assets with donor restriction.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is distributed. Based on the existence or absence of donor-imposed restrictions, MSAG classifies resources into two categories: without donor restrictions and with donor restrictions.

Net assets without donor restriction – Net assets that are not subject to donor-imposed restrictions and may be expensed for any purpose in performing the primary objectives of MSAG. These net assets may be used at the discretion of MSAG's management and Board of Directors.

Net assets with donor restriction – Represents contributions that are limited to use by MSAG in accordance with donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Expiration of donor-imposed restrictions – Net assets are released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors, including the passage of time. Donor restrictions on long-lived assets or cash to construct or acquire long-lived assets are considered to have expired when the assets are placed in service or expenditures exceed the amount of the gift.

Use of estimates – The preparation of financial statements in conformity with 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Congregational Homes, Inc. dba Mt. San Antonio Gardens

Notes to Financial Statements

Cash and cash equivalents – MSAG considers all short-term investments with an original maturity of 90 days or less to be cash equivalents. As of September 30, 2025 and 2024, cash equivalents are comprised of money market funds.

The following table provides a reconciliation of cash and cash equivalents and restricted cash and cash equivalents reported within the accompanying statements of financial position to the accompanying statements of cash flows as of September 30, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 8,784,530	\$ 3,801,220
Restricted cash and cash equivalents, included in assets limited as to use	1,277,619	7,595,556
Cash and cash equivalents and restricted cash and cash equivalents as reported in statements of cash flows	\$ 10,062,149	\$ 11,396,776

Investments – Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. Fair value is established based on quoted prices from recognized securities exchanges. Investment income (including realized gains and losses on investments, interest, and dividends) is included in changes in net assets without donor restrictions unless the income (loss) is restricted by donor law.

Other current assets – Other current assets include prepaid insurance, other prepaid expenses, workers' compensation insurance recoveries receivable, and inventory which consists of personal protective equipment, food, and kitchen supplies. Inventory is valued at first-in/first-out cost.

Deferred financing costs – Deferred financing costs include debt issuance costs, including legal fees, bank fees, accounting fees, and consulting costs incurred in connection with the issuance of the Series 2022 and 2019 tax-exempt bonds. The costs are being amortized over the terms of the financing agreements using the effective interest method. Such costs are presented as a component of long-term debt in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 835, *Interest Capitalization (ASC 835)*. Amortization expense is included as a component of interest expense.

Property, plant, and equipment – Property, plant, and equipment are recorded at cost. Donated property is recorded at its estimated fair value at the date of receipt. Depreciation is computed on the straight-line method based on estimated useful lives of 40 years for buildings built prior to September 30, 2005, 50 years for buildings completed after September 30, 2005, and 5 to 20 years for equipment. MSAG defines its capital expenditures as tangible assets of a relatively permanent nature, generally costing more than \$1,000. MSAG periodically evaluates the carrying value of their long-lived assets for impairment. When the carrying value of an asset exceeds estimated recoverability, an asset impairment is recognized.

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Notes to Financial Statements

Asset retirement obligations – Asset retirement obligations include legal obligations associated with the retirement of long-lived assets. These liabilities are recorded at fair value when incurred and are capitalized by increasing the carrying amount of the associated long-lived asset. The fair value of the obligation is measured based on the present value of estimated future retirement costs. Asset retirement costs are depreciated on a straight-line basis through the estimated date of retirement. Subsequent to the initial recognition, period-to-period changes in the carrying amount of the liability are recorded due to the passage of time and revisions to either the timing or amount of the original estimated cash flows. Liabilities are released when the related obligations are settled. There was no accretion expense for the year ended September 30, 2025, and for the year ended September 30, 2024.

Excess (deficiency) of revenues over expenses – Excess (deficiency) of revenues over expenses represents the performance indicator. Changes in net assets without donor restrictions that are excluded from excess (deficiency) of revenues over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for purposes of acquiring such assets).

Revenue recognition – Residential services revenue – Residential services revenue is reported at the amount that reflects the consideration to which MSAG expects to be entitled to in exchange for the services provided. Under MSAG's residential services agreement, MSAG provides senior living services to residents for a stated monthly fee. MSAG recognizes revenue for senior living services under the residential services agreement for independent living and assisted living in accordance with the provision of ASC Topic 842, *Leases (ASC 842)*.

Patient services revenue (skilled nursing facility) – Patient services revenue is reported at the amount that reflects the consideration to which MSAG expects to be entitled to in exchange for providing care. These amounts are due from patients, net of third-party contractual allowances for Medicare, and other programs. Generally, MSAG bills patients and third-party payors at the beginning of each month and sends a final bill or reconciliation at the time of discharge. Revenue is recognized in the month in which the performance obligations are satisfied.

Revenue for performance obligations satisfied over time is recognized based on actual charges incurred. MSAG believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in MSAG's skilled nursing facility. MSAG measures the performance obligation from admission into the skilled nursing facility to the point when it is no longer required to provide health care services to that resident, which is generally at the time of discharge.

MSAG determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with MSAG's policy, and implicit price concessions provided to uninsured patients. MSAG determines its estimates of implicit price concessions based on its historical collection experience with this class of patients.

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Notes to Financial Statements

MSAG has agreements with third-party payors that provide for payments to MSAG at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Patient services revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Laws and regulations concerning government programs, including Medicare, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge MSAG's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon MSAG. In addition, the contracts MSAG has with commercial payors also provide for retroactive audit and review of claims.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. MSAG also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. MSAG estimates the transaction price for patients with deductibles and coinsurance and for those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the years ended September 30, 2025 and 2024, was not significant.

Patients who meet MSAG's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue.

Other revenues – Other revenues include revenues from ancillary services related to guest rooms, guest meals, catering, physical therapy, occupational therapy, and speech therapy. Revenue is reported at the amount that reflects the consideration to which MSAG expects to be entitled to in exchange for providing services.

The composition of patient services revenue by primary payor for the years ended September 30 is as follows:

	2025	2024
Patient services revenue		
Medicare/HMO	\$ 1,104,257	\$ 1,021,764
Private	2,324,662	1,920,371
	\$ 3,428,919	\$ 2,942,135

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Notes to Financial Statements

Obligation to provide future services – MSAG annually calculates the present value of the costs of providing future services and use of facilities to current residents less future revenues such as monthly fees and compares the net amount (estimated obligation) with the balance of deferred revenue from advance fees. If the estimated obligation exceeds the deferred revenue from advance fees, a liability is recorded with the corresponding charge to income. For the years ended September 30, 2025 and 2024, a corresponding liability was not required. The present value of the obligation as of September 30, 2025 and 2024, was calculated using a discount rate of 5%.

MSAG estimates the cost of future services and the use of facilities in calculating the future obligation. The estimated amount of the obligation is based on actuarial assumptions such as life expectancy, projected future monthly resident fees, projected future operating costs, and estimated future inflation rate. Actual results will differ from those estimates.

Concentration of credit risk – MSAG is a continuing care retirement community whose one campus is located on property in Claremont and Pomona, California. MSAG charges monthly fees on open accounts to its residents, all of whom live on campus.

MSAG has cash located in various institutions. The amount on deposit in one institution (MSAG's operating accounts) periodically exceeded the federally insured limit of \$250,000. MSAG monitors the financial condition of these institutions on an ongoing basis and does not believe significant credit risk exists at this time.

Split-interest agreements – MSAG sponsors charitable programs that enable the donor to receive income for life and leave the remainder of the principal to MSAG and other charitable organizations. These are referred to as split-interest agreements and can take several different forms, such as a gift annuity, an annuity trust, or a unitrust.

MSAG accounts for these agreements separately from other assets and liabilities even though some assets are pooled for investment purposes. As of September 30, 2025 and 2024, investments managed by MSAG under these programs were approximately \$880,000 and \$855,000, respectively.

The terms and discount rates for these agreements are based upon the life expectancy of the donor(s) and present value tables provided by the Internal Revenue Service (IRS) for determining the amount of the charitable contribution. Assets donated are recorded at their fair value at the date of the agreement. In subsequent years, the value of the contributions is actuarially adjusted to reflect the income earned on the assets, less distributions, and the present value of the liability to the income beneficiaries. Payments of income to beneficiaries are principally funded by the investment income of the related investments.

Deferred revenue from advance fees – Fees paid by a resident upon entering into a life care or continuing care contract are recorded as deferred revenue. Such fees are amortized to income using the straight-line method over the estimated remaining life expectancy of the resident. The actuarial life expectancy tables used are based on MSAG's historical experience. Upon the death of a resident, the unamortized portion of an advance fee is included in current year amortization. A portion of deferred revenue from advance fees is allocated to refundable fees as described below.

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Notes to Financial Statements

Refundable fees – MSAG is obligated to refund a portion of advance fees to residents who withdraw before six years. If a resident withdraws (or dies) within 90 days, the entire advance fee is refunded, less reasonable expenses. For residents who moved in after October 1, 2019, the entire advance fee is refunded if the resident withdraws (or dies) within one year. The amount to be refunded upon withdrawal is the advance fee, less 1.39% of the advance fee per month. The liability for refundable advance fees of \$150,000 as of September 30, 2025 and 2024, is estimated based upon MSAG's refund experience. As of September 30, 2025 and 2024, the maximum amount contractually refundable was approximately \$35,694,000 and \$33,740,000, respectively.

Self-insured health insurance – MSAG is self-insured for medical and dental benefits. Annual estimated provisions are accrued based on actuarially determined amounts or management's estimate and includes an estimate of the ultimate costs of both reported claims and claims incurred but not yet reported.

Income taxes – MSAG is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and from California franchise taxes under Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes.

MSAG has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to MSAG's continued qualification as a tax-exempt organization and whether there are unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not (>50%) of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

Going concern – In connection with the preparation of the financial statements for the year ended September 30, 2025, management conducted an evaluation as to whether there were conditions or events, considered in the aggregate, which raised substantial doubts as to MSAG's ability to continue as a going concern within one year after the date the financial statements were issued, noting there did not appear to be evidence of substantial doubt of the entity's ability to continue as a going concern.

Recent accounting standards – In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses – Measurement of Credit Losses on Financial Instruments (Topic 326)*, which will require consideration of a broader range of reasonable and supportable information to inform credit loss estimates and replaces the incurred loss impairment methodology. Topic 326 impacts both assets measured at amortized cost and available-for-sale debt securities. This ASU was adopted by MSAG effective October 1, 2023. The adoption of this standard did not have a significant impact on the financial statements.

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

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Notes to Financial Statements

MSAG has evaluated subsequent events through December 5, 2025, which is the date the financial statements were issued, and concluded that there were no additional events or transactions that need to be disclosed.

Note 3 – Investments

Investments, including amounts classified as assets limited as to use, are comprised of the following as of September 30:

	2025	2024
Short-term investments	\$ 1,797,772	\$ 1,671,543
Assets limited as to use, required for current liabilities	-	4,675,015
Assets limited as to use, net of current portion	1,277,291	3,130,296
Assets limited by Board as to use	29,623,222	27,205,080
Investments	24,375,474	21,836,912
	\$ 57,073,759	\$ 58,518,846

Assets limited as to use are comprised of cash and investments held by the trustee under the Series 2022 and Series 2019 bond indentures for the following purposes as of September 30:

	2025	2024
Assets held under Series 2022 Bond Indenture		
Project fund	\$ 1,277,291	\$ 3,130,296
Entrance fee redemption fund	-	4,670,000
Funded interest fund	-	5,015
	1,277,291	7,805,311
Less amounts required to pay current liabilities	-	4,675,015
	\$ 1,277,291	\$ 3,130,296

Assets limited by Board as to use are not legally restricted as to use; however, it is the Board's current intention that they would be used for the following uses:

	2025	2024
Project reserve fund	\$ 8,181,634	\$ 7,595,029
Endowment for debt service	10,206,848	8,352,667
Endowment for financial assistance	3,995,060	3,337,973
Endowment for general purposes	7,239,680	7,919,411
Assets limited by Board as to use	\$ 29,623,222	\$ 27,205,080

The project reserve fund is for replacement of fixed assets and new projects as approved by the Board.

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Notes to Financial Statements

MSAG has Board-designated endowment funds of approximately \$22,853,000 and \$19,610,000 as of September 30, 2025 and 2024, respectively. MSAG does not intend to spend from these Board-designated endowment funds other than amounts appropriated for expenditure based on the policy described in Note 9; however, these amounts could be made available for other purposes, if necessary, at the discretion of the Board.

The following schedule summarizes investment return and its classification in the statements of operations and statements of changes in net assets for the year ended September 30, 2025:

	Without Donor Restriction	With Donor Restriction	Total
Interest and dividend income	\$ 1,214,951	\$ 464,083	\$ 1,679,034
External investment expense	(79,402)	-	(79,402)
Interest and dividend income, net	<u>1,135,549</u>	<u>464,083</u>	<u>1,599,632</u>
Realized gains, net	(86,274)	149,724	63,450
Unrealized gains, net	2,371,812	1,091,809	3,463,621
Realized and unrealized gains on investments, net	<u>2,285,538</u>	<u>1,241,533</u>	<u>3,527,071</u>
Investment return, net	<u>\$ 3,421,087</u>	<u>\$ 1,705,616</u>	<u>\$ 5,126,703</u>

The following schedule summarizes investment return and its classification in the statements of operations and statements of changes in net assets for the year ended September 30, 2024:

	Without Donor Restriction	With Donor Restriction	Total
Interest and dividend income	\$ 1,316,026	\$ 378,230	\$ 1,694,256
External investment expense	(96,235)	-	(96,235)
Interest and dividend income, net	<u>1,219,791</u>	<u>378,230</u>	<u>1,598,021</u>
Realized gains, net	123,510	94,343	217,853
Unrealized gains, net	4,277,271	2,098,189	6,375,460
Realized and unrealized gains on investments, net	<u>4,400,781</u>	<u>2,192,532</u>	<u>6,593,313</u>
Investment return, net	<u>\$ 5,620,572</u>	<u>\$ 2,570,762</u>	<u>\$ 8,191,334</u>

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Notes to Financial Statements

Note 4 – Fair Value Measurements

In accordance with ASC 820, MSAG classifies its investments based upon an established 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Investments – Investments held by MSAG consist of Level 1 exchange traded funds, bonds, and mutual funds. These investments have quoted prices in an active market and are therefore classified within Level 1 of the valuation hierarchy.

Split-interest agreements – Management determines the fair value measurement policy and procedures for charitable remainder trusts and charitable gift annuities. These policies and procedures are reassessed periodically to determine if the current valuation techniques are still appropriate; therefore, it is classified within Level 3 of the valuation hierarchy.

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Notes to Financial Statements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the ASC 820 fair value hierarchy in which the fair value measurements fall:

Assets at Fair Value as of September 30, 2025				
	Level 1	Level 2	Level 3	Total
Assets				
Cash and equivalents	\$ 1,277,619	\$ -	\$ -	\$ 1,277,619
U.S. Treasury bills	24,997	-	-	24,997
U.S. bonds	202,507	-	-	202,507
Mutual funds				
Balanced fund	243,656	-	-	243,656
Bond funds	29,992,311	-	-	29,992,311
International funds	25,011,547	-	-	25,011,547
U.S. equity funds	321,122	-	-	321,122
Total assets	\$ 57,073,759	\$ -	\$ -	\$ 57,073,759
Liabilities				
Liabilities under split-interest agreements				
Obligations under gift annuities	\$ -	\$ -	\$ 124,798	\$ 124,798
Obligations under charitable remainder trusts	-	-	64,304	64,304
Total liabilities	\$ -	\$ -	\$ 189,102	\$ 189,102
Assets at Fair Value as of September 30, 2024				
	Level 1	Level 2	Level 3	Total
Assets				
Cash and equivalents	\$ 7,595,556	\$ -	\$ -	\$ 7,595,556
Gold exchange traded fund	446,015	-	-	446,015
U.S. Treasury bills	209,756	-	-	209,756
U.S. bonds	231,702	-	-	231,702
Mutual funds				
Balanced fund	226,763	-	-	226,763
Bond funds	28,763,078	-	-	28,763,078
International funds	5,457,626	-	-	5,457,626
U.S. equity funds	15,588,350	-	-	15,588,350
Total assets	\$ 58,518,846	\$ -	\$ -	\$ 58,518,846
Liabilities				
Liabilities under split-interest agreements				
Obligations under gift annuities	\$ -	\$ -	\$ 156,176	\$ 156,176
Obligations under charitable remainder trusts	-	-	71,753	71,753
Total liabilities	\$ -	\$ -	\$ 227,929	\$ 227,929

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Notes to Financial Statements

Note 5 – Property, Plant, and Equipment

Property, plant, and equipment consisted of the following as of September 30:

	2025	2024
Land improvements	\$ 11,892,279	\$ 11,872,038
Buildings and improvements	140,050,944	136,465,931
Furniture and equipment	16,226,824	15,740,342
Total depreciable assets	168,170,047	164,078,311
Less accumulated depreciation	71,520,634	67,089,854
Depreciable assets, net	96,649,413	96,988,457
Land	2,195,371	2,195,371
Construction in progress	981,595	1,039,644
Total property and equipment, net	\$ 99,826,379	\$ 100,223,472

MSAG's depreciation expense totaled approximately \$5,789,000 and \$5,087,000 for the years ended September 30, 2025 and 2024, respectively.

Note 6 – Deferred Revenue from Advance Fees

A summary of the deferred revenue from advance fees for the years ended September 30 is as follows:

	2025	2024
BALANCE, beginning of year	\$ 57,588,296	\$ 37,865,740
New fees received	12,646,938	24,271,349
Amortization of advance fees	(6,184,826)	(4,314,138)
Advance fees refunded	(1,047,364)	(234,655)
BALANCE, end of year	\$ 63,003,044	\$ 57,588,296

Based on the past five years, actual refunds have averaged approximately \$400,000 per year for the potential refundable declining period.

Note 7 – Retirement Plan

MSAG maintains a retirement plan under Section 403(b) of the Internal Revenue Code for substantially all full-time employees. The plan is with United Church of Christ Pension Plan for Lay Employees.

Employees who elect to participate are required to contribute, at a minimum, 3% (and may contribute up to 20%, subject to IRS dollar limitations) of their compensation to the plan. MSAG matches 100% of the employees' contribution, up to 8% of their compensation for the calendar years 2025 and 2024, in which the employee completes at least 1,000 hours of service and has completed two years of continuous service. MSAG's contributions to this plan totaled approximately \$662,000 and \$640,000 for the years ended September 30, 2025 and 2024, respectively.

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Notes to Financial Statements

Note 8 – Long-Term Debt

Long-term debt as of September 30, 2025 and 2024, is as follows:

	2025	2024
Series 2019 Bonds	\$ 28,800,000	\$ 29,405,000
Series 2022A Bonds	29,030,000	29,030,000
Series 2022B-1	-	4,670,000
Add: unamortized bond premium	4,904,939	5,193,050
Less unamortized debt issuance costs	(1,656,227)	(1,716,390)
Long-term debt, including current portion	61,078,712	66,581,660
Current portion of long-term debt	(630,000)	(5,275,000)
Long-term debt, net of current portion	\$ 60,448,712	\$ 61,306,660

On July 1, 2019, MSAG issued Series 2019 Bonds (2019 Bonds). The proceeds of the 2019 Bonds totaling \$31,610,000 were used to refinance all of the outstanding Series 2010 Bonds (\$16,375,000); reimburse MSAG for the payment of prior expenditures for planning the Wellness/Independent Living Expansion project; finance construction, improvement, renovation, and equipping of the campus; pay a portion of the interest on the 2019 Bonds during the construction of described projects; and pay certain costs of issuance of the Bonds. The 2019 Bonds have terms of 30 years with fixed all-in true interest rate of 3.98% and maximum annual debt service of \$2,039,400. Interest on the 2019 Bonds is payable on each May 15 and November 15, commencing November 15, 2019. The 2019 Bonds are collateralized by the first trust deed of MSAG and have certain covenant restrictions.

On February 16, 2022, MSAG issued the \$29,030,000 Series 2022A Revenue Bonds, the \$6,000,000 Series 2022B-1 Revenue Bonds, and the \$8,750,000 Series 2022B-2 Revenues Bonds. The Series 2022A together with the Series 2022B are collectively referred to as “2022 Bonds.” The proceeds of the 2022 Bonds totaling \$43,780,000 were used together with other available funds to finance the construction, improvement, renovation, and equipping of the Cedars; pay a portion of the interest of the 2022 Bonds during the construction of the Cedars; and pay certain costs incurred in connection with the issuance of the 2022 Bonds. As of September 30, 2025, 2022B Bonds have been paid in full. The 2022 Bonds have terms of 35 years with fixed all-in true interest rate of 3.77% and average annual debt service of \$2,214,000. Interest on the bonds is payable on each May 15 and November 15, commencing May 15, 2022. The 2022 Bonds are collateralized by the first trust deed of MSAG and have certain covenant restrictions.

The following table sets forth the principal payments due as of September 30:

	Series 2019	Series 2022A	Total
Fiscal Year			
2026	\$ 630,000	\$ -	\$ 630,000
2027	655,000	210,000	865,000
2028	685,000	220,000	905,000
2029	710,000	230,000	940,000
2030	740,000	240,000	980,000
Thereafter	25,380,000	28,130,000	53,510,000
	\$ 28,800,000	\$ 29,030,000	\$ 57,830,000

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Notes to Financial Statements

Note 9 – Net Assets with Donor Restriction

Net assets with donor restriction include the following time period or purpose restrictions as of September 30, 2025 and 2024:

	2025	2024
Subject to expenditure for a specific purpose		
Homeship care – resident support	\$ 1,006,792	\$ 1,297,648
Gardens Club	452,853	455,918
All other restrictions	1,120,357	446,725
	2,580,002	2,200,291
Subject to appropriation and expenditure when a specified event occurs		
Split-interest agreements	691,312	627,490
Subject to spending policy and appropriation		
Investment in perpetuity (including amounts above original gift amount of \$7,914,674 and \$7,845,557, respectively), which once appropriated, is expendable to support		
Homeship care	385,012	391,383
Maureen Beith Evergreen Commons	942,415	784,142
Myra Heslop Nurses Education	8,801	7,203
Library	12,694	12,905
Wellness center	78,955	80,262
Assisted living program	89,556	91,038
Financial assistance upon entrance	264,907	214,049
Robert Johnson - RN assistance	1,411,082	-
General endowment	9,951,348	9,607,651
	13,144,770	11,188,633
Total net assets with donor restriction	\$ 16,416,084	\$ 14,016,414

Note 10 – Endowment Restricted Net Assets

The Board of Directors of MSAG follow the Uniform Prudent Management of Institutional Funds Act (UPMIFA) in determining the fair value of the donor-restricted assets. As a result, MSAG classifies as net assets with donor restriction (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. MSAG's endowment spending policy provides the guidance for the distribution of the net appreciation of restricted endowments. At the beginning of each fiscal year, MSAG will distribute between 4.0% and 5.0% of the average market value of the endowment fund for the twelve calendar quarters ended March 31 of the prior fiscal year. Endowment earning distributions are made in 12 equal monthly installments.

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Notes to Financial Statements

Endowment net asset composition by type of fund as of September 30, 2025, is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	\$ -	\$ 7,914,674	\$ 7,914,674
Accumulated investment gains	7,792,214	3,980,096	11,772,310
Board-designated endowment funds	<u>13,649,375</u>	<u>1,250,000</u>	<u>14,899,375</u>
	<u>\$ 21,441,589</u>	<u>\$ 13,144,770</u>	<u>\$ 34,586,359</u>

Endowment net asset composition by type of fund as of September 30, 2024, is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	\$ -	\$ 7,845,557	\$ 7,845,557
Accumulated investment gains	5,960,676	3,343,076	9,303,752
Board-designated endowment funds	<u>13,649,375</u>	<u>-</u>	<u>13,649,375</u>
	<u>\$ 19,610,051</u>	<u>\$ 11,188,633</u>	<u>\$ 30,798,684</u>

In accordance with UPMIFA, MSAG considers the following factors in making a determination to appropriate or accumulate donor-restricted assets:

1. The duration and preservation of the fund
2. The purposes of MSAG 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 MSAG
7. The investment policies of MSAG

Congregational Homes, Inc. dba Mt. San Antonio Gardens

Notes to Financial Statements

Funds with deficiencies – From time to time, the fair value of assets associated with individual donor-restricted assets may fall below the level that the donor or UPMIFA requires MSAG to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restriction when applicable. There were no such deficiencies as of September 30, 2025 and 2024.

Return objectives, risk parameters, and strategies employed for achieving objectives – MSAG has adopted investment and spending policies for restricted assets that attempt to provide a predictable stream of funding to the program. Under this policy, as approved by the Board of Directors, the restricted assets are invested in a manner that is intended to preserve and protect the assets by earning an appropriate return on the investments.

Changes in endowment net assets for the year ended September 30, 2025, are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 19,610,051	\$ 11,188,633	\$ 30,798,684
Investment return, net	2,522,533	1,185,400	3,707,933
Contributions	-	1,319,117	1,319,117
Transfer for purpose restriction spending	-	(140,391)	(140,391)
Appropriation for endowment for expenditure	<u>(690,995)</u>	<u>(407,989)</u>	<u>(1,098,984)</u>
Endowment net assets, end of year	<u>\$ 21,441,589</u>	<u>\$ 13,144,770</u>	<u>\$ 34,586,359</u>

Changes in endowment net assets for the year ended September 30, 2024, are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 16,075,407	\$ 10,018,391	\$ 26,093,798
Investment return, net	4,155,621	1,406,167	5,561,788
Contributions	-	148,644	148,644
Transfer for purpose restriction spending	-	(25,926)	(25,926)
Appropriation for endowment for expenditure	<u>(620,977)</u>	<u>(358,643)</u>	<u>(979,620)</u>
Endowment net assets, end of year	<u>\$ 19,610,051</u>	<u>\$ 11,188,633</u>	<u>\$ 30,798,684</u>

Congregational Homes, Inc. dba Mt. San Antonio Gardens

Notes to Financial Statements

Note 11 – Net Assets Released from Restriction

Net assets were released from restriction as follows for the years ended September 30:

	2025	2024
Purpose restrictions accomplished		
Homeship care – resident support	\$ 517,220	\$ 519,206
Gardens Club – employee appreciation	553,500	474,500
Physician clinic operations	-	55,323
General operations	447,668	665,529
General capital releases	288,969	635,442
	1,807,357	2,350,000
Release of appropriated endowment amounts without purpose restrictions	690,995	620,977
Release of appropriated endowment amounts with purpose restrictions	407,989	358,643
Total restriction released	\$ 2,906,341	\$ 3,329,620

Note 12 – Self-Insured Workers’ Compensation Insurance

On January 1, 2018, MSAG entered into a guaranteed cost policy insurance program to cover workers’ compensation claims. Under the current policy, MSAG is covered up to \$1,000,000 on a per claim basis with no deductible.

Prior to January 2018, MSAG participated in a self-insured workers’ compensation program through a nonprofit mutual benefit corporation (Group) organized under the Nonprofit Mutual Benefit Corporation Law of California. Under this plan, MSAG was covered up to \$500,000 for the payment of medical, indemnity, and legal costs of claims. MSAG was also covered by a supplemental policy for excess workers’ compensation coverage that pays all statutory benefits in excess of a retention limit of \$500,000.

In accordance with ASU No. 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, MSAG discloses in the statements of financial position the estimated liability outstanding for workers’ compensation claims as well as the related insurance recoveries. The estimated liability and insurance recoveries for workers’ compensation claims amounted to approximately \$81,000 and \$82,000 as of September 30, 2025 and 2024, respectively. Insurance recoveries receivable are included in other current assets on the statements of financial position.

As required by the state of California, Department of Industrial Relations, Office of Self-Insurance Plans (OSIP), the Group obtained a surety bond from an insurance carrier, which satisfies the financial security requirement for self-insured plans. As a condition from surety carriers in return for obtaining the surety bond posted by the program to OSIP, each participating member in the program is required to sign a General Agreement of Indemnity. In the event that the insurance carrier is called upon to satisfy any outstanding obligation of the Group, the insurance carrier has the right of indemnification from each member on a joint and several basis.

Congregational Homes, Inc. dba Mt. San Antonio Gardens

Notes to Financial Statements

Note 13 – Functional Classification of Expenses

The financial statements report certain expense categories that are attributable to more than one independent living, assisted living, skilled nursing, or support services function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation, interest, and other costs, are allocated to a function based on a square footage or units of services basis.

Expenses related to providing these services for the year ended September 30, 2025, are as follows:

	Program Services			Support Services	Total
	Independent Living	Assisted Living	Skilled Nursing	General and Administrative	
Salaries and benefits	\$ 6,469,717	\$ 6,572,983	\$ 5,989,084	\$ 3,311,681	\$ 22,343,465
Contract services and professional fees	2,541,235	1,046,464	1,051,680	1,323,533	5,962,912
Depreciation	4,584,363	378,956	717,023	109,147	5,789,489
Interest	1,918,460	346,768	141,802	21,169	2,428,199
Utilities	1,232,085	222,703	91,069	14,004	1,559,861
Taxes and insurance	887,185	160,362	65,576	9,791	1,122,914
Other expense	224,385	99,467	40,992	431,201	796,045
Supplies and equipment	328,529	164,859	95,120	53,102	641,610
Medical supplies and equipment	25,784	55,250	169,076	13,827	263,937
Repairs and maintenance	498,287	97,345	41,228	5,490	642,350
Total operating expenses	<u>\$ 18,710,030</u>	<u>\$ 9,145,157</u>	<u>\$ 8,402,650</u>	<u>\$ 5,292,945</u>	<u>\$ 41,550,782</u>

Expenses related to providing these services for the year ended September 30, 2024, are as follows:

	Program Services			Support Services	Total
	Independent Living	Assisted Living	Skilled Nursing	General and Administrative	
Salaries and benefits	\$ 6,057,211	\$ 6,066,367	\$ 5,476,338	\$ 3,044,034	\$ 20,643,950
Contract services and professional fees	2,168,491	1,206,344	1,108,952	1,246,690	5,730,477
Depreciation	3,917,253	359,163	713,807	96,343	5,086,566
Interest	1,567,056	283,382	116,026	17,240	1,983,704
Utilities	1,216,631	220,012	89,896	13,384	1,539,923
Taxes and insurance	835,463	151,083	61,732	9,193	1,057,471
Other expense	175,579	83,274	35,832	651,184	945,869
Supplies and equipment	271,295	176,042	114,731	41,003	603,071
Medical supplies and equipment	48,159	100,273	263,490	18,572	430,494
Repairs and maintenance	486,914	92,083	39,911	5,322	624,230
Total operating expenses	<u>\$ 16,744,052</u>	<u>\$ 8,738,023</u>	<u>\$ 8,020,715</u>	<u>\$ 5,142,965</u>	<u>\$ 38,645,755</u>

Congregational Homes, Inc. dba Mt. San Antonio Gardens

Notes to Financial Statements

Note 14 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of September 30, 2025 and 2024, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 8,784,530	\$ 3,801,220
Short-term investments	1,797,772	1,671,543
Accounts receivable, net	<u>2,105,720</u>	<u>2,157,024</u>
	<u>\$ 12,688,022</u>	<u>\$ 7,629,787</u>

MSAG has structured its financial assets to be available as its general expenditures, liabilities, and other obligations come due. MSAG maximizes its earnings potential on liquid assets by investing in short-term instruments such as money market funds and short-term treasury instruments. MSAG has Board-designated endowment funds of approximately \$22,853,000 and \$19,610,000 as of September 30, 2025 and 2024, respectively. MSAG does not intend to spend from this Board-designated endowment other than amounts appropriated for expenditure based on the policy described in Note 10; however, these amounts could be made available if necessary.

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 Information

**Congregational Homes, Inc.
dba Mt. San Antonio Gardens**

September 30, 2025

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Report of Independent Auditors

The Board of Directors
Congregational Homes, Inc. dba Mt. San Antonio Gardens

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Congregational Homes, Inc. dba Mt. San Antonio Gardens, which comprise continuing care liquid reserve schedules, Forms 5-1 through 5-5, as of and for the year ended September 30, 2025.

In our opinion, the accompanying financial statements present fairly, in all material respects, the continuing care liquid reserve schedules Form 5-1 through Form 5-5 of Congregational Homes, Inc. dba Mt. San Antonio Gardens as of and for the year ended September 30, 2025.

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 Congregational Homes, Inc. dba Mt. San Antonio Gardens 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.

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.

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 Congregational Homes, Inc. dba Mt. San Antonio Gardens' 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 Congregational Homes, Inc. dba Mt. San Antonio Gardens' 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 Supplementary Schedules to Forms 5-1, 5-2, and 5-4, Reconciliation of Interest and Principal Paid; Form 5-4, Reconciliation of Revenues Received During the Year for Services to Persons Who Did Not Have a Continuing Care Contract; and Form 5-5, Reconciliation of Operating and Debt Service Reserves, presented as supplementary schedules, are presented for the purpose of additional analysis and are not a required part of the basic 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 the 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 the auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management of Congregational Homes, Inc. dba Mt. San Antonio Gardens, 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.

Other Information

Management is responsible for the other information included in the California Department of Social Services Annual Report (the Annual Report). The other information comprises Forms 1-1, 1-2, and 7-1, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Baker Tilly US, LLP

Irvine, California
December 5, 2025

Continuing Care Liquid Reserve Schedules

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Form 5-1, Long-term Debt Incurred in a Prior Fiscal Year
For the Year Ended September 30, 2025

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	07/01/19	\$605,000	\$1,417,900		\$2,022,900
2	02/16/22		\$1,227,685		\$1,227,685
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
TOTAL:			\$2,645,585	\$0	\$3,250,585

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

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

PROVIDER: Congregational Homes, Inc

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Form 5-2, Long-term Debt Incurred During Fiscal Year
For the Year Ended September 30, 2025

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					\$0
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
TOTAL:		\$0	\$0	0	\$0

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

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

PROVIDER: Congregational Homes, Inc

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Form 5-3, Calculation of Long-term Debt Reserve Amount
For the Year Ended September 30, 2025

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

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	<u>\$3,250,585</u>
2	Total from Form 5-2 bottom of Column (e)	<u>\$0</u>
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	<u><u>\$3,250,585</u></u>

PROVIDER: Congregational Homes, Inc

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Form 5-4, Calculation of Net Operating Expenses
For the Year Ended September 30, 2025

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$41,550,782</u>
2	Deductions:		
a.	Interest paid on long-term debt (see instructions)	<u>\$2,645,585</u>	
b.	Credit enhancement premiums paid for long-term debt (see instructions)	<u>\$0</u>	
c.	Depreciation	<u>\$5,789,489</u>	
d.	Amortization	<u>\$60,162</u>	
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$2,468,603</u>	
f.	Extraordinary expenses approved by the Department	<u>\$0</u>	
3	Total Deductions		<u>\$10,963,839</u>
4	Net Operating Expenses		<u>\$30,586,943</u>
5	Divide Line 4 by 365 and enter the result.		<u>\$83,800</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$6,284,988</u></u>

PROVIDER: Congregational Homes, Inc
COMMUNITY: Mt. San Antonio Gardens

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Form 5-5, Annual Reserve Certification
For the Year Ended September 30, 2025

FORM 5-5
ANNUAL RESERVE CERTIFICATION

Provider Name: Congregational Homes, Inc
Fiscal Year Ended: 9/30/2025

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 9/30/2025 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	\$3,250,585
[2] Operating Expense Reserve Amount	\$6,284,988
[3] Total Liquid Reserve Amount:	\$9,535,573

Qualifying assets sufficient to fulfill the above requirements are held as follows:

<u>Qualifying Asset Description</u>	<u>Amount</u> (market value at end of quarter)	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	\$0	\$8,007,250
[5] Investment Securities	\$8,181,634	\$10,345,339
[6] Equity Securities		\$21,441,588
[7] Unused/Available Lines of Credit		
[8] Unused/Available Letters of Credit		
[9] Debt Service Reserve		(not applicable)
[10] Other:		
(describe qualifying asset)		
Total Amount of Qualifying Assets Listed for Reserve Obligation: [11]	\$8,181,634	[12] \$39,794,177
Reserve Obligation Amount: [13]	\$3,250,585	[14] \$6,284,988
Surplus/(Deficiency): [15]	\$4,931,049	[16] \$33,509,189

Signature:


(Authorized Representative)

Date: 1/21/26

CFO

(Title)

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Note to Continuing Care Liquid Reserve Schedules

Note 1 – Basis of Accounting

The accompanying supplementary schedules have been prepared in accordance with the provisions of the Health and Safety Code Section 1792 administered by the State of California Department of Social Services and are not intended to be a complete presentation of Congregational Homes, Inc. dba Mt. San Antonio Gardens' assets, liabilities, revenues, and expenses.

Supplementary Information

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Attachment I to Forms 5-1, 5-2, and 5-4
Reconciliation of Interest and Principal Paid
State of California – Department of Social Services
September 30, 2025

PRINCIPAL PAYMENT ON LONG-TERM DEBT INCURRED IN A PRIOR FISCAL YEAR PER FORM 5-1:

Series 2019 bonds	\$ 605,000
Total principal payment on long-term debt per audited statement of cash flows	\$ 605,000

Series 2022 bonds - voluntary payments

Series 2022B-1 bond - Paid in full	\$ 4,670,000
	\$ 4,670,000

INTEREST PAID DURING FISCAL YEAR PER FORM 5-4:

Series 2019 Bonds Interest Paid During Fiscal Year Per Form 5-1	\$ 1,417,900
Series 2022 Bonds Interest Paid During Fiscal Year Per Form 5-1	1,227,685
Total interest payment on long-term debt per audited statement of cash flows	\$ 2,645,585

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Attachment II to Form 5-4
Reconciliation of Revenues Received During the Year for
Services to Persons Who Did Not Have a Continuing Care Contract
State of California – Department of Social Services
September 30, 2025

Non-Member Health Services	\$	740,200
Non-Member Assisted Living		1,310,765
Non-Member Fire Evacuee		132,030
		2,182,995
Guest Rooms		108,845
Non-Resident Meals		176,763
		285,608
Total Revenues Received During the Fiscal Year for Services to Person Who Did Not Have a Continuing Care Contract per Form 5-4		2,468,603
Reconciliation to audited statement of operations:		
Care and Service Fees from Independent Living and Assisted Living	\$	23,972,583
Non-Member Assisted Living		1,310,765
Non-Member Fire Evacuee		132,030
Residential Services Revenue per audited statement of operations		25,415,378
Care and service fees for Health Services	\$	1,584,462
Non-Member Health Services		740,200
HMO/Medicare		1,104,257
Patient Service Revenue per audited statement of operations		3,428,919
Reconciliation to audited statement of cash flows:		
Cash received from Members	\$	25,359,893
Cash received from Non-Members		2,182,995
Cash received from residents per audited statement of cash flows		27,542,888
Cash received from other sources	\$	1,959,235
Cash received from Guest Room and Non-Resident Meals		285,608
Cash received from other sources per audited statement of cash flows		2,244,843

RECONCILIATION OF AMORTIZATION EXPENSE

Amortization of deferred financing costs	\$	60,162
Interest		2,347,395
Bond Costs		20,642
Interest per audited statement of operations		2,428,199
Amortization of deferred financing costs	\$	60,162
Amortization expense per Form 5-4		60,162

Congregational Homes, Inc. dba Mt. San Antonio Gardens
Attachment III to Form 5-5
Reconciliation of Operating and Debt Service Reserves
State of California – Department of Social Services
September 30, 2025

	General Unrestricted	Specific Purpose	Endowment	Annuity	Trusts	Total All Funds
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 8,007,250	\$ 782,231	\$ (28,708)	\$ 23,757		\$ 8,784,530
Short-term investments		1,797,772				1,797,772
Accounts receivable, net	2,105,720					2,105,720
Assets limited to use, required for current liabilities						-
Other current assets	666,200					666,200
Total current assets	<u>10,779,170</u>	<u>2,580,003</u>	<u>(28,708)</u>	<u>23,757</u>	<u>-</u>	<u>13,354,222</u>
Noncurrent Assets:						
Assets limited to use, net of current portion	1,277,291					1,277,291
Assets limited by board as to use	8,197,924		21,441,588			29,639,512
Investments	10,329,049		13,173,478	612,673	243,984	24,359,184
Property, plant and equipment, net	99,826,379					99,826,379
Total Assets	<u>\$ 130,409,813</u>	<u>\$ 2,580,003</u>	<u>\$ 34,586,358</u>	<u>\$ 636,430</u>	<u>\$ 243,984</u>	<u>\$ 168,456,588</u>
LIABILITIES AND NET ASSETS						
Current Liabilities:						
Accounts payable	\$ 1,376,625					\$ 1,376,625
Accrued expenses	2,693,047					2,693,047
Workers' compensation liability	80,899					80,899
Refundable deposits and other liabilities	82,551					82,551
Current portion of long term debt	630,000					630,000
Total current liabilities	<u>4,863,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,863,122</u>
Noncurrent liabilities:						
Liabilities to grantors under split-interest agreements				124,798	64,304	189,102
Deferred revenue from advance fees	63,003,044					63,003,044
Deposits for Cedars Development	-					-
Deferred Revenue - Sodexo Dining Contract	172,326					172,326
Asset retirement obligation	140,863					140,863
Long term debt, net of current portion	60,448,712					60,448,712
Total Liabilities	<u>128,628,067</u>	<u>-</u>	<u>-</u>	<u>124,798</u>	<u>64,304</u>	<u>128,817,169</u>
NET ASSETS						
Without donor restriction	1,781,746		21,441,588			23,223,334
With donor restriction		2,580,003	13,144,770	511,632	179,680	16,416,085
Total Net Assets	<u>1,781,746</u>	<u>2,580,003</u>	<u>34,586,358</u>	<u>511,632</u>	<u>179,680</u>	<u>39,639,419</u>
Total Liabilities and Net Assets	<u>\$ 130,409,813</u>	<u>\$ 2,580,003</u>	<u>\$ 34,586,358</u>	<u>\$ 636,430</u>	<u>\$ 243,984</u>	<u>\$ 168,456,588</u>

Sum of Total Cash & Cash Equivalents, Investments Available for use per Form 5-5: \$8,007,250 (Unrestricted Cash) + \$10,345,339 (Unrestricted Noncurrent Investments) + \$8,181,634 (Assets limited by board as to use) + \$21,441,588 (Unrestricted Endowment) = \$47,975,811

Reconciliation to Form 5-5:

	Unrestricted Cash	Investment Securities	Assets limited by board as to use	Equity Securities	Total
Project reserve fund	\$ -	\$ -	\$ 8,181,634	\$ -	\$ 8,181,634
Operating reserve	8,007,250	10,345,339	-	21,441,588	39,794,177
	<u>\$ 8,007,250</u>	<u>\$ 10,345,339</u>	<u>\$ 8,181,634</u>	<u>\$ 21,441,588</u>	<u>\$ 47,975,811</u>

Reconciliation to Form 5-5:

Cash and cash equivalents	General Unrestricted <u>\$ 8,007,250</u>
Assets limited by board as to use Investments	General Unrestricted \$ 8,181,634 10,345,339 <u>\$ 18,526,973</u>
Without donor restriction	Endowment <u>\$ 21,441,588</u>

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ATTACHMENT TO FORM 5-5

CONGREGATIONAL HOMES, INC dba MT. SAN ANTONIO GARDENS

Health and Safety Code section 1790(a) (2)

Full detail on the status, description, and amount of all reserves that the provider currently designates and maintains:

In addition to the Debt Service Reserve and Operating Expense Reserve required by the California Department of Social Services (see Form 5-5), we have net assets with donor restriction (see audit report, Note 9):

Homeship care (benevolence) for residents	\$1,006,792
Gardens club – resident sponsored actives	452,853
Split-interest agreements (annuities & trusts)	691,312
Endowment	13,144,770
All other donor restricted funds	1,120,357
Total donor restricted net assets	\$16,416,084

Health and Safety Code section 1790(a)(3)

Disclosure of any funds accumulated for identified projects or purposes and any funds maintained or designated for specific contingencies.

Note – Donor restricted funds, are not specifically noted here. The following contingencies address those monies that are under the control of the Board of Directors.

Assets limited by Board as to use as noted in the audit report Note 3.

Project reserve fund	\$8,181,634
Endowment for debt service	10,206,848
Endowment for financial assistance	3,995,060
Endowment for general purposes	7,239,680
Total designated by the Board of Directors	\$29,623,222

On July 30, 1992, the Board of Directors established a Reserve for Asset Replacement Fund renamed the Project Reserve Fund to provide for the future replacement of property, plant and equipment as approved by the Board. The balance at 9/30/25 of the Project Reserve Fund is \$8,181,634. On 1/27/22, the Board of Directors established an endowment for Debt Service in the amount of \$7,000,000 which was funded by the Project Reserve Fund. This was done

because \$10,000,000 in the Project Reserve Fund was earmarked for the Cedars project, but since the project was being fully financed it was decided to move \$7,000,000 to an endowment fund to service debt payments. The balance at 9/30/25 of the endowment for debt service is \$10,206,848. Maintaining the facility is essential to providing care for the elderly – our tax-exempt purpose.

On September 25, 1997, the Board of Directors established a Financial Assistance Fund, this fund assists qualified new entrants with up to 50% of their entrance fees as well as a portion of future monthly fees. The balance at 9/30/25 is \$3,995,060. This fund was established to enable more elderly to become residents without compromising our financial structure. Providing care for even more elderly is consistent with our tax-exempt purpose.

Health and Safety Code section 1790(a)(2)

Disclosure of per capita costs of operations.

Per Capita Costs of Operations was \$83,938.

CONTINUING CARE RETIREMENT COMMUNITY DISCLOSURE STATEMENT

Date Prepared:

 Facility Name: CONGREGATIONAL HOMES, INC. dba Mt. San Antonio Gardens

Address: 900 E. Harrison Ave.

Zip Code: 91767

Phone: (909) 624-5061

Provider Name:

Mt. San Antonio Gardens

 Facility Operator: Congregational Homes, Inc.

Religious Affiliation: United Church of Christ

Year Opened: 1961

of Acres: 31

Miles to Shopping Center: 1.0

Miles to Hospital: 1.5

 Single Story Multi-Story Other: Both**Number of Units:**

Residential Living	Number of Units	Health Care	Number of Units
Apartments – Studio:	33	Assisted Living:	81
Apartments – 1 Bdrm:	144	Skilled Nursing:	46 (43 Private)
Apartments – 2 Bdrm:	10	Special Care:	10
Cottages/Houses:	100	Description:	Memory Care

RLU Occupancy (%) at Year End: 88.3%

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: 90 days or 1 yr.**Range of Entrance Fees:** \$97,480 - \$840,340**Long-Term Care Insurance Required?** Yes No**Health Care Benefits Included in Contract:** Observation, Personal Care, Physician Care, SNF**Entry Requirements:** Min Age: N/A Prior Profession: N/A Other: Medicare ABC**Resident Representative(s) to, and Resident Members on, the Board:**

(briefly describe provider's compliance and residents' roles): Five residents with full Board

Member privileges. A sixth resident attends all Board meetings as a resident representative but does not have voting rights.

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"/>			
Bowling Green	<input type="checkbox"/>	<input type="checkbox"/>	Meals (<u>3</u> /Day)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Card Rooms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Special Diets Available	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chapel	<input type="checkbox"/>	<input type="checkbox"/>			
Coffee Shop	<input type="checkbox"/>	<input type="checkbox"/>	24-Hour Emergency Response	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Craft Rooms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Activities Program	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Exercise Room	<input checked="" type="checkbox"/>	<input type="checkbox"/>	All Utilities Except Phone	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Golf Course Access	<input type="checkbox"/>	<input type="checkbox"/>	Apartment Maintenance	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Library	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Cable TV	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Putting Green	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Linens Furnished	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Shuffleboard	<input type="checkbox"/>	<input type="checkbox"/>	Linens Laundered	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Spa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Medication Management	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Swimming Pool – Indoor	<input type="checkbox"/>	<input type="checkbox"/>	Nursing/Wellness Clinic	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Swimming Pool – Outdoor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Personal Home Care	<input type="checkbox"/>	<input type="checkbox"/>
Tennis Court	<input type="checkbox"/>	<input type="checkbox"/>	Transportation – Personal	<input type="checkbox"/>	<input type="checkbox"/>
Workshop	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Transportation – Prearranged	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other: <u>Bar</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Other: <u>Drive Local Med.</u></u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Provider Name: CONGREGATIONAL HOMES, INC. dba Mt. San Antonio Gardens

Affiliated CCRCs	Location (city, state)	Phone (with area code)

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: CONGREGATIONAL HOMES, INC. dba Mt. San Antonio Gardens

Income and Expenses [Year]	2022	2023	2024	2025
Income from Ongoing Operations				
Operating Income (Excluding amortization of entrance fee income)	\$23,896,899	\$ 30,155,600	\$27,466,721	\$31,985,646
Less Operating Expenses (Excluding depreciation, amortization, and interest)	\$27,307,732	\$31,700,044	\$31,600,418	\$33,354,143
Net Income From Operations	-\$3,410,833	-\$1,544,444	-\$4,133,697	-\$1,368,497
Less Interest Expense	\$744,587	\$1,053,851	\$1,898,608	\$2,346,988
Plus Contributions	\$810,506	\$942,177	\$230,813	\$74,386
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)	-\$4,323,125	\$2,163,106	\$6,211,061	\$3,958,992
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization	-\$7,668,039	\$506,988	\$409,569	\$317,893
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)	\$3,815,985	\$6,254,836	\$24,036,694	\$11,599,574

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

Lender	Outstanding Balance	Interest Rate	Date of Origination	Date of Maturity	Amortization Period
Series 2019 Bonds	\$28,800,000	3.98%	7/1/19	7/1/49	30 years
Series 2022A Bonds	\$29,030,000	3.77%	2/16/22	2/16/57	35 years

Financial Ratios (see last page for ratio formulas)

Financial Ratios [Year]	CCAC Medians 50th Percentile (optional)	2023	2024	2025
Debt to Asset Ratio		48.1	38.1	36.9
Operating Ratio		125.0	116.6	107.7
Debt Service Coverage Ratio		3.8	3.2	3.6
Days Cash On Hand Ratio		426	441	490

Provider Name: CONGREGATIONAL HOMES, INC. dba Mt. San Antonio Gardens

Historical Monthly Service Fees (Average Fee and Change Percentage)

Residence/Service [Year]	2022	%	2023	%	2024	%	2025	%
Studio	\$3,972	5.5	\$4,218	6.4	\$4,526	9.3	\$4,852	6.8
One Bedroom	\$3,972	5.5	\$4,218	6.4	\$4,526	9.3	\$4,852	6.8
Two Bedroom	\$3,972	5.5	\$4,218	6.4	\$4,526	9.3	\$4,852	6.8
Cottage/House	\$3,972	5.5	\$4,218	6.4	\$4,526	9.3	\$4,852	6.8
Assisted Living	\$3,972	5.5	\$4,218	6.4	\$4,526	9.3	\$4,852	6.8
Skilled Living	\$3,972	5.5	\$4,218	6.4	\$4,526	9.3	\$4,852	6.8
Special Care	\$3,972	5.5	\$4,218	6.4	\$4,526	9.3	\$4,852	6.8

Comments from Provider:

Our entry fees are based on unit ambiance (size & location) and resident's age. The monthly service fee is the same per person for all residents unless a single person occupies a unit designated for 1 or 2 people. Tier II monthly service fee effective for contracts dated 10/1/19 or later.

Financial Ratio Formulas

Long-Term Debt to Total Assets Ratio

$$\frac{\text{Long Term Debt, less Current portion}}{\text{Total Assets}}$$

Operating Ratio

$$\frac{\text{Total Operating Expenses - Depreciation Expense - Amortization Expense}}{\text{Total Operating Revenues - Amortization of Deferred Revenue}}$$

Debt Service Coverage Ratio

$$\frac{\text{Total Excess of Revenues Over Expenses + Interest, Depreciation, and Amortization Expenses + Amortization of Deferred Revenue + Net Proceeds from Entrance Fees}}{\text{Annual Debt Service}}$$

Days Cash On Hand Ratio

$$\frac{\text{Unrestricted Current Cash & Investments + Unrestricted Non-Current Cash and Investments}}{(\text{Operating Expenses - Depreciation - Amortization})/365}$$

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

	RESIDENTIAL LIVING	ASSISTED LIVING	MEMORY CARE	SKILLED NURSING
1. Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)	<u>\$4,442; 4,728</u>	<u>\$4,442; 4,728</u>	<u>\$4,442; 4,728</u>	<u>\$4,442; 4,728</u>
2. Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	<u>9.3%</u>	<u>9.3%</u>	<u>9.3%</u>	<u>9.3%</u>
<input type="checkbox"/> Check here if monthly care fees at this community were <u>not</u> 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: <u>October 1, 2024</u> (If more than one (1) increase was implemented, indicate the dates for each increase.)				
4. Check each of the appropriate boxes:				
<input checked="" type="checkbox"/> Each fee increase is based on the Provider’s projected costs, prior year per capita costs, and economic indicators.				
<input checked="" type="checkbox"/> All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. Date of Notice: <u>August 31, 2024</u> Method of Notice: <u>Mail and Hand Delivery</u>				
<input checked="" type="checkbox"/> 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: <u>August 14, 2024</u>				
<input checked="" type="checkbox"/> 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.				
<input checked="" type="checkbox"/> The Provider distributed the documents to all residents by [Optional - check all that apply]:				
<input type="checkbox"/> Emailed the documents to those residents for whom the provider had email addresses on file				
<input checked="" type="checkbox"/> Placed hard copies in resident cubby				
<input type="checkbox"/> Placed hard copies at designated locations				
<input checked="" type="checkbox"/> Provided hard copies to residents upon request, and/or				
<input type="checkbox"/> Other: [please describe] _____				
<input checked="" type="checkbox"/> Date of Notice: <u>July 26, 2024</u>				

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

Date of Notice: July 29, 2024

- 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: July 29, 2024 **Location of Posting:** Social & Wellness Center, Common Areas

- 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: April 22, 2024 **Location of Posting:** Social & Wellness Center, Common Areas

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: CONGREGATIONAL HOMES, INC. **COMMUNITY:** MT. SAN ANTONIO GARDENS

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

Line	Fiscal Years	2023	2024	2025
1	F/Y 2023 Operating Expenses	\$ (33,199)		
2	F/Y 2024 Operating Expenses		\$ (36,462)	
3	Projected F/Y 2025 Results of Operations			\$ (40,510)
4	F/Y 2025 Anticipated MCF Revenue Based on Current and Projected Occupancy and Other without a MCFI			\$ 35,063
5	Projected F/Y 2025 (Net) Operating Results without a MCFI (Line 3 plus Line 4)			\$ (5,447)
6	Projected F/Y 2025 Anticipated Revenue Based on Current and Projected Occupancy and Other with MCFI 9.3%			\$ 37,064
7	Grand Total - Projected F/Y 2025 Net Operating Activity After a 9.3% MCFI (Line 3 plus Line 6)			\$ (3,446)

Monthly Care Fee Increase: 9.3%

ATTACHMENT TO FORM 7-1

MT. SAN ANTONIO GARDENS – 9/30/25

[5] ADJUSTMENTS IN MONTHLY CARE FEES

Mt. San Antonio Gardens (Gardens) contracts are prepaid and include monthly care fees that have no minimum or maximum increase limit. All contract residents pay the same regardless of what level of care. To calculate the monthly care and service increase, the Gardens use the attached budget worksheets. Please note that the amortization of the prepaid portion of the entrance fee is recorded on the income statement as earned Founders Fees which reduces operating expenses and ultimately determines the amount of the monthly fee increase which may be necessary.

The Gardens is committed to protecting the long-term financial viability of the organization and the best interest of its residents. It is the organization's desire to maintain reasonably predictable, moderate annual increases instead of significant annual rate adjustment fluctuations. Decisions are made that support the Gardens ability to remain a viable single site CCRC, offer a life care contract and provide enriched services. The Gardens undergoes a lengthy budget development process each year beginning with the department managers analyzing costs, the CFO making refinements, a draft reviewed by the Finance Committee ending with the final budget presented to the Board of Directors for approval.

The Managements' Working Budget Assumptions #1 states a 10.0% increase for the fiscal year beginning October 1, 2024 brings the monthly care and service fee to \$4,442. Tier II monthly care and service fee was effective for residents moving in after October 1, 2019, their single monthly fee increase is 7.5% for the fiscal year beginning October 1, 2024 which brings the monthly care and service fee to \$4,728 (\$286 per month higher than Tier I). The weighted average increase for the combined Tiers is 9.3%.

The methodology that is used to budget future costs include projecting costs and the consideration of economic indicators. Projections for the current budget show that costs will exceed revenues, resulting in a budgeted deficit. While revenues are expected to increase by 10.5%, expenses are projected to rise by 11.1%. A significant portion of this increase comes from Salaries and Benefits, which account for 53% of operating expenses. Salaries and Benefits are expected to rise by 14.6% compared to the prior year's budget. This includes wage increases related to SB 525, cost of living and merit adjustments, and an anticipated increase of 4.5 full time equivalent employees (FTEs). Additionally, benefits are projected to rise by 9.3% compared to prior year's budget. The budgeted operating ratio is 107.3%, and the long-term target is to be below 100%. This budget year is the first year of stabilization after a major replacement project.

RANGE OF MONTHLY FEES:

All current residents pay the same monthly fee for every unit type - \$4,442 (effective 10/1/2024)

All residents moving in after October 1, 2019 will pay the same Tier II monthly fee for every unit type - \$4,728 (effective 10/1/2024)

The only exception to this are for single residents who are living in a unit designed for one or two residents. These residents pay 1 and 1/2 of the above fee - \$6,663 and for Tier II - \$7,092.

These unit types include:

- One bedroom apartments in buildings A,B,C
- Full suites in buildings A,B,C
- All cottages
- Two bedroom Terrace homes
- Taylor houses
- Cedars one bedroom and two bedroom apartments

In addition, single residents who occupy a unit designed for “two residents only” pay 1 and $\frac{3}{4}$ of the basic \$4,442 fee (\$7,774) after one year of occupancy after becoming single. These unit types include:

- Two bedroom cottages (Plans I & Pomona)
- Two bedroom Terrace homes
- Taylor houses

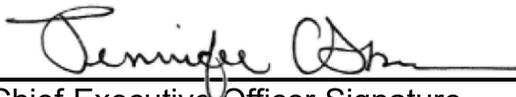
For Tier II, single residents who occupy a unit designed for “two residents only” pay double of the basic \$4,728 fee (\$9,456) after becoming single. These unit types include:

- Two bedroom cottages (Plans I & Pomona)
- Two bedroom Terrace homes
- Taylor houses

KEY INDICATORS REPORT

Date Prepared: 2/28/25

Provider Name: Mt. San Antonio Gardens



Chief Executive Officer Signature

Please attach an explanatory memo that summarizes significant trends or variances in the key operational indicators.

	2020	2021	2022	2023	2024	Projected 2025	Forecast			Preferred Trend Indicator	
							2026	2027	2028	2029	
OPERATIONAL STATISTICS											
1. Average Annual Occupancy by Site (%)	91.80%	92.90%	88.20%	85.40%	85.90%	92.10%	94.10%	94.10%	94.10%	94.10%	N/A
MARGIN (PROFITABILITY) INDICATORS											
2. Net Operating Margin (%)	-11.41%	-17.84%	-26.24%	-14.62%	-17.72%	-7.30%	-4.30%	-3.80%	-3.50%	-3.00%	↑
3. Net Operating Margin - Adjusted (%)	4.55%	1.47%	-7.31%	6.52%	35.77%	18.30%	16.00%	18.50%	19.00%	19.50%	↓
LIQUIDITY INDICATORS											
4. Unrestricted Cash and Investments (\$000)	\$42,032	\$42,861	\$33,977	\$38,023	\$40,144	\$44,858	\$46,126	\$49,815	\$54,438	\$60,027	↑
5. Days Cash on Hand (Unrestricted)	563.46	574.46	442.09	423.71	439.98	434.00	453.00	468.00	489.00	515.00	↑
CAPITAL STRUCTURE INDICATORS											
6. Deferred Revenue from Entrance Fees (\$000)	\$37,117	\$37,272	\$36,458	\$37,866	\$57,588	\$60,501	\$62,483	\$64,075	\$65,877	\$67,891	N/A
7. Net Annual E/F proceeds (\$000)	\$3,999	\$4,419	\$3,816	\$6,255	\$24,037	\$10,000	\$8,459	\$7,512	\$7,887	\$8,281	N/A
8. Unrestricted Net Assets (\$000)	\$28,666	\$30,403	\$22,926	\$23,298	\$22,645	\$21,476	\$18,347	\$17,598	\$17,739	\$18,801	N/A
9. Annual Capital Asset Expenditure (\$000)	\$3,187	\$9,661	\$19,080	\$27,657	\$7,892	\$3,600	\$3,000	\$3,150	\$3,308	\$3,473	N/A
10. Annual Debt Service Coverage Revenue Basis (x)	-1.21	-2.04	-1.99	-0.15	-0.89	-0.13	0.22	0.70	0.80	0.85	↑
11. Annual Debt Service Coverage (x)	5.39	1.71	0.98	3.72	3.21	3.36	3.06	2.94	3.59	3.89	↑
12. Annual Debt Service/Revenue (%)	1.89%	4.14%	4.37%	4.45%	7.37%	8.10%	7.25%	7.50%	7.00%	7.00%	↓
13. Average Annual Effective Interest Rate (%)	3.98%	3.98%	3.875%	3.875%	3.875%	3.875%	3.875%	3.875%	3.875%	3.875%	↓
14. Unrestricted Cash & Investments/ Long-Term Debt (%)	121.52%	126.64%	43.72%	49.45%	65.48%	68.80%	75.70%	83.00%	92.10%	103.10%	↑
15. Average Age of Facility (years)	14.83	16.73	16.48	15.77	13.19	12.70	11.84	12.87	13.25	13.5	↓