

ANNUAL REPORT CHECKLIST

PROVIDER(S): Rancho San Antonio. RHC & RSI

CCRC(S): DBA: The Forum at Rancho San Antonio

Healthcare Center at The Forum at Rancho San Antonio

CONTACT PERSON: Mike Schlossberg

TELEPHONE NO: 650-944-0264

EMAIL: mikeschlossberg@theforumrsa.com

A complete annual report must consist of 2 copies of all of the following:

Annual Report Checklist

Annual Provider Fee in the amount of: \$ 41,301.00

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 form), with an accompanying certified public accountant's opinion thereon.

Provider's "Continuing Care Retirement Community Disclosure Statement" and Form 7-1 "Report on CCRC Monthly Service Fees" for each community.

Provider's Refund Reserve Calculation(s) – Form 9-1 and/or Form 9-2, if applicable. *NA*

The Key indicators Report is required to be submitted within 30 days of the due date of the submission of the annual report, but may be submitted at the same time as the annual report.

FORM 1-1
RESIDENT POPULATION

Line	Continuing Care Residents	TOTAL
[1] Number at beginning of fiscal year		496
[2] Number at end of fiscal year		492
[3] Total Lines 1 and 2		988
[4] Multiply Line 3 by “.50” and enter result on Line 5. x .50		x.50
[5] Mean number of continuing care residents		494
All Residents		
[6] Number at beginning of fiscal year		507
[7] Number at end of fiscal year		516
[8] Total Lines 6 and 7		1023
[9] Multiply Line 8 by “.50” and enter result on Line 10. x .50		x.50
[10] Mean number of all residents		512
[11] Divide the mean number of continuing care residents (Line 5) by the mean number of all residents (Line 10) and enter the result (round to two decimal places).		0.97

FORM 1-2
ANNUAL PROVIDER FEE

Line	TOTAL
[1] Total Operating Expenses (including depreciation and debt service – interest only)	50,068,182
[a] Depreciation	7,303,649
[b] Debt Service (Interest Only) \$1,033,000 reported int exp was capitalized	-
[2] Subtotal (add Line 1a and 1b)	7,303,649
[3] Subtract Line 2 from Line 1 and enter result.	42,764,533
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	41,301,426
[5] Total Operating Expense for Continuing Care Residents	
[6] Total Amount Due (multiply Line 5 by .001)	x.001 41,301

PROVIDER: Rancho San Antonio, RHC & RSI

COMMUNITY: Rancho San Antonio, dba, The Forum@Rancho San Antonio

THE FORUM

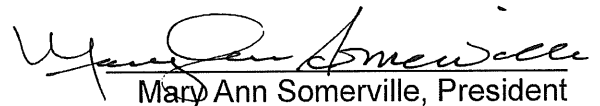
AT RANCHO SAN ANTONIO

April 24, 2024

Department of Social Services
Continuing Care Contract Program
744 P Street, MS 9-14-91
Sacramento, CA 95814

CERTIFICATION OF CHIEF EXECUTIVE OFFICER OF RANCHO SAN ANTONIO RETIREMENT HOUSING CORPORATION

The undersigned hereby certifies that (i) the materials enclosed with the annual report for 2023 and any amendments, submitted herewith to the California Department of Social Services is, to the best of her knowledge and belief, true and correct, (ii) and that the forms of the continuing care agreements at Rancho San Antonio in use or offered to residents are those which have theretofore been submitted to, and approved by, the California Department of Social Services, and (iii) The Forum at Rancho San Antonio is maintaining the required liquid reserve and a refund reserve trust fund was not required.

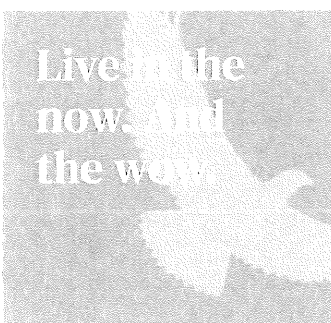

Mary Ann Somerville, President

4/24/24

Date

ExperienceTheForum.com

23500 Cristo Rey Dr.
Cupertino, CA 95014
650.944.0100





EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY)

7/5/2023

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

PRODUCER NAME, CONTACT PERSON AND ADDRESS Arthur J. Gallagher Risk Management Services, LLC 2850 Golf Rd Rolling Meadows, IL 60008		PHONE (A/C, No, Ext): 312-704-0100	COMPANY NAME AND ADDRESS Affiliated FM Insurance Company P.O. Box 7500 Johnston, RI 02919	NAIC NO: 10014
FAX (A/C, No): 312-803-7443		E-MAIL ADDRESS:	IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH	
CODE:	SUB CODE:		POLICY TYPE Property	
AGENCY CUSTOMER ID #:		LOAN NUMBER	POLICY NUMBER 1115084	
NAMED INSURED AND ADDRESS LCS Holdings, Inc. and 400 Locust Street, Suite 820 Des Moines IA 50309-2334		EFFECTIVE DATE 06/30/2023	EXPIRATION DATE 06/30/2024	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
ADDITIONAL NAMED INSURED(S)		THIS REPLACES PRIOR EVIDENCE DATED:		

PROPERTY INFORMATION (ACORD 101 may be attached if more space is required) BUILDING OR BUSINESS PERSONAL PROPERTY


LOCATION / DESCRIPTION 23500 Cristo Rey Drive Cupertino, CA 95014
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 EVIDENCE OF PROPERTY INSURANCE 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.

COVERAGE INFORMATION		PERILS INSURED	BASIC	BROAD	<input checked="" type="checkbox"/>	SPECIAL	
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$ 423,957,375							DED:\$30,000
		YES	NO	N/A			
<input checked="" type="checkbox"/> BUSINESS INCOME	<input type="checkbox"/> RENTAL VALUE	X				X	Actual Loss Sustained; # of months: 12
BLANKET COVERAGE		X					If YES, indicate value(s) reported on property identified above: \$ 423,957,375
TERRORISM COVERAGE		X					Attach Disclosure Notice / DEC
IS THERE A TERRORISM-SPECIFIC EXCLUSION?						X	
IS DOMESTIC TERRORISM EXCLUDED?						X	
LIMITED FUNGUS COVERAGE		X					If YES, LIMIT:\$100,000 DED:\$30,000
FUNGUS EXCLUSION (If "YES", specify organization's form used)		X					
REPLACEMENT COST		X					
AGREED VALUE						X	
COINSURANCE			X				If YES, %
EQUIPMENT BREAKDOWN (If Applicable)		X					If YES, LIMIT:30,000,000 DED:30,000
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg		X					If YES, LIMIT:30,000,000 DED:30,000
- Demolition Costs		X					If YES, LIMIT:30,000,000 DED:30,000
- Incr. Cost of Construction		X					If YES, LIMIT:30,000,000 DED:30,000
EARTH MOVEMENT (If Applicable)			X				If YES, LIMIT: DED:
FLOOD (If Applicable)		X					If YES, LIMIT:30,000,000 DED:500,000
WIND / HAIL INCL <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:		X					If YES, LIMIT:30,000,000 DED:100,000
NAMED STORM INCL <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:		X					If YES, LIMIT:30,000,000 DED:100,000
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS		X					

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.

ADDITIONAL INTEREST

<input type="checkbox"/> CONTRACT OF SALE <input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> LENDER'S LOSS PAYABLE <input type="checkbox"/> LOSS PAYEE	LENDER SERVICING AGENT NAME AND ADDRESS
NAME AND ADDRESS Rancho San Antonio Retirement Housing Corporation 23500 Cristo Rey Drive Cupertino, CA 95014		AUTHORIZED REPRESENTATIVE 

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AGENCY CUSTOMER ID: _____

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

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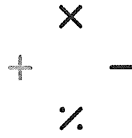
AGENCY Arthur J. Gallagher Risk Management Services, LLC		NAMED INSURED LCS Holdings, Inc. and 400 Locust Street, Suite 820 Des Moines IA 50309-2334	
POLICY NUMBER 1115084		EFFECTIVE DATE: 06/30/2023	
CARRIER Affiliated FM Insurance Company	NAIC CODE 10014		

ADDITIONAL REMARKS

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 28 FORM TITLE: EVIDENCE OF COMMERCIAL PROPERTY INSURANCE**

REMARKS:

Program Limit:
\$30,000,000 Per Occurrence/Agg (Shared) – Affiliated FM Insurance Company
\$20,000,000 Excess \$30,000,000 - Lexington 61383611; Aspen PX00RVT22; Navigators SA22HABZ0aBQ7IC; Mitsui TBD; HCC TBD; QBE B1262PW0460122
\$50,000,000 Excess \$50,000,000 - Eagle EAGLE100311-AR0XXWX001; Kinsale 0100196857-0; Axis Specialty EAF662302-22; RSUI LHD925837; ARK
B1262PW0460222; Hanover Re B1262PW0464522; Ethos UB211256A0045; Mt. Hawley MCP0172901; Ironshore Specialty 1000524134-01; MAP TBD
\$100,000,000 Excess \$100,000,000 - Chubb Bermuda B1262PW0457222
\$223,957,375 Excess \$200,000,000 - Chubb Bermuda B1262PW0457322



Report of Independent Auditors
and Consolidated Financial Statements
with Supplementary Information

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.**

December 31, 2023 and 2022

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Report of Independent Auditors

The Members of the Audit Committee and the Board of Directors
Rancho San Antonio Retirement Housing Corporation and
Rancho San Antonio Retirement Services, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Rancho San Antonio Retirement Housing Corporation and Rancho San Antonio Retirement Services, Inc. (collectively referred to as the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022 and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Rancho San Antonio Retirement Housing Corporation and Rancho San Antonio Retirement Services, Inc., as of December 31, 2023 and 2022, and the results of their operations and their 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 Rancho San Antonio Retirement Housing Corporation and Rancho San Antonio Retirement Services, Inc., 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 consolidated 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 Rancho San Antonio Retirement Housing Corporation and Rancho San Antonio Retirement Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Rancho San Antonio Retirement Housing Corporation and Rancho San Antonio Retirement Services, Inc.'s 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rancho San Antonio Retirement Housing Corporation and Rancho San Antonio Retirement Services, Inc.'s 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating balance sheet and consolidating statement of operations, as of and for the year ended December 31, 2023, for Rancho San Antonio Retirement Housing Corporation and Rancho San Antonio Retirement Services, Inc., is presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Moss Adams LLP

San Francisco, California
April 24, 2024

Consolidated Financial Statements

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.**
Consolidated Balance Sheets
December 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 22,596,509	\$ 21,334,861
Investments	11,129,845	9,633,362
Accounts receivable	1,459,732	710,623
Prepaid expenses and other assets	2,288,297	1,552,461
Total current assets	37,474,383	33,231,307
PROPERTY AND EQUIPMENT		
Land rights and improvements	17,198,521	17,009,165
Buildings and improvements	196,092,502	195,475,913
Furniture and equipment	15,835,194	15,764,305
Construction in process	31,146,889	20,750,944
Property and equipment	260,273,106	249,000,327
Less: accumulated depreciation	(119,714,637)	(112,410,654)
Property and equipment, net	140,558,469	136,589,673
INTEREST RATE SWAP	711,182	927,280
RESTRICTED CASH AND CASH EQUIVALENTS	10,911,574	-
BOARD-DESIGNATED INVESTMENTS	19,352,340	16,757,922
Total assets	\$ 209,007,948	\$ 187,506,182
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accrued liabilities	\$ 4,656,597	\$ 4,629,359
Current portion of deferred escrow transaction fees	520,329	456,279
Member advances	14,800,001	11,873,424
Current portion of construction loan payable	600,086	20,912,543
Total current liabilities	20,577,013	37,871,605
CONSTRUCTION LOAN PAYABLE	37,399,914	-
DEFERRED ESCROW TRANSACTION FEES, net of current portion	3,962,915	3,703,711
Total liabilities	61,939,842	41,575,316
MEMBERS' EQUITY	147,068,106	145,930,866
Total liabilities and members' equity	\$ 209,007,948	\$ 187,506,182

See accompanying notes.

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.**

**Consolidated Statements of Operations
Years Ended December 31, 2023 and 2022**

	2023	2022
REVENUES		
Resident service revenue	\$ 35,447,317	\$ 29,655,986
Ancillary revenue	1,313,348	819,387
Appreciation on resale of memberships	5,500,892	5,823,675
Commission on sale of memberships	1,712,984	2,285,450
Net unrealized gain (loss) on investments	3,491,821	(5,632,347)
Interest and investment income	1,485,516	705,331
Other revenue	502,482	509,763
	49,454,360	34,167,245
OPERATING EXPENSES		
Salaries	18,681,022	16,344,572
Employee benefits and taxes	5,375,062	4,695,820
Insurance	2,917,316	1,847,166
Legal and professional	675,553	354,739
Depreciation	7,303,649	6,627,753
Management fees	1,739,820	1,426,757
Marketing	472,014	473,334
Property taxes	996,468	774,306
Utilities	2,376,709	2,364,171
Cable and IT services	888,725	906,202
Maintenance and supplies	2,499,385	2,161,894
Food and supplies	3,023,162	2,909,879
Ancillary	769,996	473,522
Other	2,349,301	2,312,705
	50,068,182	43,672,820
NET OPERATING LOSS	(613,822)	(9,505,575)
OTHER INCOME (EXPENSE)		
Escrow transaction fees amortization and exit fees	2,042,737	2,242,444
Interest income	-	54,494
Unrealized (loss) gain on interest rate swap	(216,098)	5,935,300
Gain on forgiveness of Paycheck Protection Program loan	-	3,329,306
Other expense	(74,777)	(99,798)
	1,138,040	1,956,171
PROVISION FOR INCOME TAXES	(800)	(619,467)
NET INCOME	\$ 1,137,240	\$ 1,336,704

See accompanying notes.

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.
Consolidated Statements of Changes in Members' Equity
Years Ended December 31, 2023 and 2022**

	Cooperative Memberships, net	Accumulated Deficit in Retained Earnings	Total Members' Equity
BALANCE, December 31, 2021	\$ 175,734,709	\$ (33,433,779)	\$ 142,300,930
Capital contributions	2,293,232	-	2,293,232
Net income	-	1,336,704	1,336,704
BALANCE, December 31, 2022	178,027,941	(32,097,075)	145,930,866
Net income	-	1,137,240	1,137,240
BALANCE, December 31, 2023	\$ 178,027,941	\$ (30,959,835)	\$ 147,068,106

See accompanying notes.

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.**
Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from residents for housing services	\$ 20,291,551	\$ 18,284,668
Cash received from residents and third-party payors for medical services	9,475,190	6,946,249
Cash received from noncontract residents	1,521,031	1,246,541
Cash received from ancillary revenues and other income	1,313,348	819,387
Cash received for resale of memberships	5,500,892	5,823,675
Cash received from commission of sales of memberships	1,712,984	2,285,450
Cash received from exit fees	1,390,991	1,655,480
Cash paid for operating activities, including suppliers and employees	(38,102,719)	(35,325,899)
Cash received from interest	1,555,334	709,325
Cash paid for interest	(1,593,300)	(952,656)
	3,065,302	1,492,220
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(11,282,033)	(16,131,956)
Purchases of investments	(288,472)	-
Proceeds from investments	325,620	-
Net change in board-designated investments	(636,229)	(522,944)
	(11,881,114)	(16,654,900)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from capital contributions	-	2,293,232
Proceeds from member advances	5,400,000	4,200,000
Repayment of member advances	(2,473,423)	(4,922,469)
Proceeds from escrow transaction fees	975,000	1,180,000
Proceeds from construction loan from bank	17,087,457	16,707,242
Repayment of construction loan to bank	-	(2,293,232)
Repayment of Paycheck Protection Program loan	-	(307,868)
	20,989,034	16,856,905
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	12,173,222	1,694,225
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	21,334,861	19,640,636
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	\$ 33,508,083	\$ 21,334,861
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net income	\$ 1,137,240	\$ 1,336,704
Adjustments to reconcile net income to net cash provided by operating activities		
Unrealized (gain) loss on investments	(3,491,820)	5,632,347
Unrealized loss (gain) on interest rate swap	216,098	(5,935,300)
Gain on forgiveness of Paycheck Protection Program loan	-	(3,329,306)
Depreciation	7,303,649	6,627,753
Loss on disposal of equipment	9,588	34,226
Amortization of deferred escrow transaction fees	(651,746)	(586,964)
Changes in operating assets and liabilities		
Accounts receivable	(749,109)	267,532
Prepaid expenses and other assets	(735,836)	(354,841)
Accrued liabilities	27,238	(2,199,931)
	\$ 3,065,302	\$ 1,492,220
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for income taxes	\$ 800	\$ 619,467

See accompanying notes.

Rancho San Antonio Retirement Housing Corporation and Rancho San Antonio Retirement Services, Inc.

Notes to Consolidated Financial Statements

Note 1 – Description of the Organization

Rancho San Antonio Retirement Housing Corporation (RHC), a California taxable nonprofit mutual benefit corporation, owns The Forum at Rancho San Antonio (the Community), which contains 342 independent living units and a healthcare facility (the Healthcare Center) in Cupertino, California.

Rancho San Antonio Retirement Services, Inc. (RSI) is a separate California taxable nonprofit mutual benefit corporation that provides healthcare services to members of the Community and the general public. RSI leases the Healthcare Center from RHC. The Healthcare Center contains 48 nursing beds, 58 assisted living suites, and 26 memory care beds. Members of the Community pay a separate monthly fee to RSI for the Healthcare Center and its services. The California Department of Social Services (DSS) and the California Department of Health Services (DHS) have certified RHC and RSI to provide care to members of the Community and the public.

A mutual benefit corporation is formed to provide an association of tenant members a common benefit of managing common property. Due to its private purpose, the corporation pays the same taxes as regular for-profit corporations.

Residents of the independent living units of the Community are required to purchase memberships in RHC and to enter into occupancy and healthcare agreements with RHC and RSI, respectively. The memberships are nonrefundable but are transferable at the option of the member, with RHC receiving 50% of the appreciation, if any, upon resale of memberships. Members' equity includes all capital raised from the initial sale of all available cooperative memberships in RHC. The initial sale of all memberships was completed by December 31, 1996.

The Community received approval from the Cupertino City Council for a significant renovation and additions project for its existing campus. The project has resulted in the completion of 23 new independent living villas, 26 new beds in a state-of-the-art memory care building, and renovations and additions to the commons facilities (dining). Additionally, the current construction of a new skilled nursing building and the planned renovation to the current skilled nursing building will add an additional 10 new skilled nursing beds. Renovations to the assisted living facility are also planned. The project also includes one new internally accessible roadway to accommodate the new independent living villas and minor changes to the internal on-site circulation system, as well as new landscaping and skilled facilities. At December 31, 2023, the total project commitment amount is approximately \$99,300,000 of an approximate \$110,000,000 total project budget.

Note 2 – Summary of Significant Accounting Policies

Principles of consolidation – The consolidated financial statements include the accounts of RHC and RSI, of which RHC is the sole member. RHC and RSI are collectively referred to as the Company. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and cash equivalents – Cash and cash equivalents include demand deposit accounts and money market investment accounts with original maturities of three months or less.

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.
Notes to Consolidated Financial Statements**

Cash that is restricted is excluded from cash and cash equivalents and classified as noncurrent restricted cash and cash equivalents.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash and cash equivalents balances within the consolidated balance sheets that sums to the total of the same amounts shown in the consolidated statements of cash flows:

	2023	2022
Reconciliation of cash, cash equivalents, and restricted cash		
Cash and cash equivalents	\$ 22,596,509	\$ 21,334,861
Restricted cash and cash equivalents	10,911,574	-
Total cash, cash equivalents, and restricted cash on the consolidated statements of cash flows	\$ 33,508,083	\$ 21,334,861

Investments – The Company’s investments are included in the following captions on the consolidated balance sheets: investments and board-designated investments. Investments consist of marketable investment securities (see Note 3). Investment income or loss, including realized gains and losses on investments, interest, and dividends, is included in interest and investment income on the consolidated statements of operations. Unrealized gains and losses on investments are included in net unrealized (loss) gain on investments on the consolidated statements of operations. At December 31, 2023 and 2022, the net accumulated unrealized gains on investments were \$5,632,718 and \$2,140,823, respectively.

Accounts receivable – The Company provides services to residents and nonresidents even though they may lack adequate funds or may participate in programs that do not pay full charges. The Company receives payments for health services from residents and nonresidents, insurance companies, Medicare, HMOs, and other third-party payors. As a result, the Company is exposed to certain credit risk. The Company manages its risk by regularly reviewing its account and providing appropriate implicit and explicit price concessions.

Property and equipment – Property and equipment are recorded at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets as follows:

Land rights	85 years
Building	40 years
Land and building improvements	8 to 40 years
Furniture, fixtures, and equipment	3 to 10 years

The land on which the Community is constructed is leased under an operating lease that expires in 2072. At the inception of the lease, \$13,080,000 was paid to the property owner, which represented the total lease payments required on the lease. Amounts paid under the lease are included in land rights and improvements and are amortized on the straight-line method over the term of the lease.

**Rancho San Antonio Retirement Housing Corporation
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Impairment of long-lived assets – Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The Company has determined that no such basis adjustment was necessary at December 31, 2023 and 2022.

Board-designated investments – Board-designated investments are funds designated for property, equipment repairs and replacements, and insurance costs. Board-designated investments also include the following:

Member advances – Under the terms of the healthcare agreement, if a member has received more than 90 consecutive days of care in RSI and sells his or her membership in RHC, the resident is required to advance RSI the lesser of \$300,000 or the net proceeds from the sale. The advance is to be repaid, without interest, within 90 days after the termination of the member's healthcare agreement. Member advances are available for use by RSI at the discretion of management and the Board of Directors.

Unexpended escrow transaction and exit fees for Healthcare Center purposes – Unexpended escrow transaction and exit fees for Healthcare Center purposes are maintained by RHC for the purpose of funding operations of the Healthcare Center, including, but not limited to, general operating expenses, capital repairs, replacements and expansion, and construction of new facilities.

Obligation to provide future services – Management annually calculates the present value of the net cost (difference between cost to operate and maintenance fees charged) of future services and use of the Continuing Care Retirement Community (CCRC) to be provided to current residents and compares the amount with the balance of deferred escrow transaction fees from the residents. If the present value of the net cost of future services and use of the CCRC exceeds the deferred escrow transaction fees, a liability is recorded with the corresponding charge to income. No liability was recorded at December 31, 2023 and 2022. The discount rate used to calculate the obligation to provide future services is 3% and 6% for the years ended December 31, 2023 and 2022, respectively.

Revenue recognition – The revenues include resident services revenue, ancillary revenue, appreciation on resale of memberships, commission on sale of memberships, and escrow transaction fees amortization and exit fees.

Resident services revenue – Resident services revenue is reported at the amount that reflects the consideration to which the Company expects to be entitled to in exchange for the services provided. Resident service revenues generated from monthly occupancy fees for independent living units, assisted living units, assisted living suites, and nursing beds are recognized monthly based on the terms of the occupancy and service agreements in accordance with provisions in Accounting Standards Codification (ASC) Topic 842, *Leases (ASC 842)*.

**Rancho San Antonio Retirement Housing Corporation
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Ancillary revenue – Ancillary revenue on the consolidated statements of operations includes revenue from independent living of \$193,584 and \$104,730 for the years ended December 31, 2023 and 2022, respectively, which is recognized in accordance with ASC 842. The remaining ancillary revenues from supplementary services and other items requested by the resident is reported at the amount that reflects the consideration to which the Company expects to be entitled to in exchange for providing these services. These amounts are due from residents, third-party payors (including health insurers), Medicare, and others. Revenue is recognized in the month in which the performance obligations are satisfied.

Revenue for health service performance obligations satisfied over time is recognized based on actual charges incurred. The Company 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 the assisted living and skilled nursing facility. The Company measures the performance obligation from admission into assisted living and 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.

The Company determines the transaction price based on standard charges for goods and services provided, reduced by implicit and explicit price concessions provided to Medicare and third-party payors. The Company determines its estimates of implicit and explicit price concessions based on contractual agreements and historical experience.

Agreements with Medicare and third-party payors provide for payments at amounts less than established charges. A summary of the payment arrangements with Medicare and third-party payors follows:

- Medicare: Certain health care services are paid at prospectively determined rates per discharge based on clinical, diagnostic, or other factors. Certain services are paid based on cost-reimbursement methodologies subject to certain limits. Physical services are paid based upon established fee schedules.
- Third-party payors: Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Resident and ancillary revenues include amounts estimated by management to be reimbursable by the Medicare program. Reimbursements (cost based or otherwise) are subject to examination by agencies administering the program, and provisions are made for potential retroactive adjustments. To the extent those provisions vary from settlements, operations are charged or credited as the adjustments become known.

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Generally, patients who are covered by Medicare and third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Company estimates the transaction price for patients with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any implicit and explicit price concessions determined on a resident-by-resident basis. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to ancillary revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense. Bad debt expense for the years ended December 31, 2023 and 2022, was not significant.

The following table shows ancillary revenue by line of service:

Ancillary line of service	2023	2022
Assisted living	\$ 175,086	\$ 161,238
Skilled nursing facility	322,357	118,929
Memory care	622,321	434,490
	\$ 1,119,764	\$ 714,657

Appreciation on resale of memberships – Upon the sale of a resident's membership, the resident pays RHC a "shared appreciation fee" based on a portion of the appreciation in the membership. The shared appreciation fee is equal to one half of the excess, if any, of (a) the greater of (i) the fair market value of the membership, as determined by a M.A.I. appraiser selected by RHC, or (ii) the gross sale price of the membership, not reduced by any commissions, taxes, fees, or charges incidental to the sale; over (b) the membership purchase price. Revenue is recognized for this shared appreciation fee in the period that escrow closes on the sale of the membership, which is when the performance obligation is satisfied.

Commission on sale of memberships – Upon sale of a resident's membership, the resident pays RHC a 5% combined sales commission and marketing fee. The combined commission and fee is 5% of the greater of (i) the fair market value of the membership, as determined by a M.A.I. appraiser selected by RHC, or (ii) the gross sale price of the membership, not reduced by any commissions, taxes, fees, or charges incidental to the sale. Revenue is recognized for this commission in the period that escrow closes on the sale of the membership, which is when the performance obligation is satisfied.

Escrow transaction fees amortization and exit fees – RHC charges escrow transaction fees to buyers of occupancy rights and exit fees to sellers of occupancy rights as per the occupancy agreement. These fees are collected by RHC and are held for the purpose of funding the Healthcare Center operations and Community capital needs. The basic residence agreement creates a performance obligation to be satisfied over the resident's remaining life at the Company. Escrow transaction fees of \$25,000 per resident, collected from buyers, are recognized on a straight-line basis over the actuarially determined life expectancy of the resident. The performance obligation is satisfied upon termination of the residency agreement. Exit fees collected from sellers, which are calculated as 4% of the greater of the carrying book value of the occupancy rights or the gross sales proceeds of the sale of such occupancy rights, are recognized at close of escrow.

**Rancho San Antonio Retirement Housing Corporation
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The following table provides information about the Company's receivables and contract liabilities for escrow transaction fees pursuant to Financial Accounting Standards Board (FASB) ASC 606-10-50-11:

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable	\$ 1,459,732	\$ 710,623	\$ 978,155
Contract liabilities - current	\$ 520,329	\$ 456,279	\$ 415,408
Contract liabilities - long-term	\$ 3,962,915	\$ 3,703,711	\$ 3,151,546

Tax status of RHC and RSI – RHC qualifies as a cooperative under Section 216 of the Internal Revenue Code, as amended. To qualify as a cooperative, certain limitations must be met as to the nature of RHC's revenue. For the years ended December 31, 2023 and 2022, management believes that this requirement has been met because more than 80% of the revenue earned was from resident sources.

RHC and RSI are subject to federal and state income taxes and provide for income taxes under the asset and liability method in accordance with FASB ASC Topic 740, *Income Taxes*.

Fair value measurements – FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, prescribes fair value measurements and disclosures for financial and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements. FASB ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, prepaid expenses and other assets, accrued liabilities, deferred escrow transaction fees, member advances, and long-term debt approximate fair value. The fair values of investments and interest rate swap are disclosed in Note 3.

Use of estimates – The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Accounting estimates include implicit and explicit price concessions, fair value of investments and interest rate swap, liability for deferred escrow transaction fees, calculation of future service benefit obligation, and useful lives of fixed assets.

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Concentration of credit risk – Financial instruments potentially subjecting the Company to concentrations of credit risk consist primarily of bank demand deposits in excess of Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation limits and accounts receivable. Demand deposits are placed with a local financial institution, and management has not experienced any loss related to these demand deposits in the past. If any of the financial institutions with whom the Company does business were to be placed into receivership with the FDIC, the Company may be unable to access the cash they have on deposit with such institutions. If the Company was unable to access its cash and cash equivalents as needed, the Company's financial position and ability to operate its business could be adversely affected. The Company has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and investments. Investment securities are further exposed to various risks, such as interest rate, market, and credit risks. It is at least reasonably possible, given the level of risk associated with investment securities, that changes in the near term could materially affect the amount reported in the consolidated financial statements. The risk associated with the investments is mitigated through diversification.

The Company also grants credit without collateral to its patients, most of whom are individuals insured under third-party payor agreements. The Company manages its collection risk by regularly reviewing its accounts and contracts and by providing appropriate allowances. The mix of receivables from patients and third-party payors was as follows at December 31:

	2023	2022
Medicare	41%	18%
Private pay	38%	69%
Third-party insurance	6%	4%
Other payors	15%	9%
	100%	100%

Professional liability insurance – The Company insures for professional liability claims under a claims-made policy. Under the policy, insurance premiums cover only those claims actually reported during the policy term, up to \$1,000,000 of coverage for each occurrence and \$3,000,000 in aggregate. Should the claims-made policy not be renewed, or replaced with equivalent insurance, claims related to occurrences during their terms but reported subsequent to their termination may be uninsured. Management is not aware of any pending claims that exceed the coverage limitations provided by their policy. Management is of the opinion that the impact, if any, is immaterial, and any settlement would not have a material adverse effect on the Company's consolidated financial position or results of operations. Management's estimate of the Company's liability for expected losses from reported and unreported incidents is based on the Company's historical claim experience within stop-loss coverage limits. The accrual for this liability is included in accrued liabilities on the consolidated balance sheets.

Interest rate swap agreement – The Company uses derivative instruments in the form of an interest rate swap to hedge the risk of overall changes in cash flows attributable to changes in interest rates related to its construction loan, using a method that approximates the effective interest rate method. The Company does not use derivatives for speculative purposes. See Note 4 for a full description of the interest rate swap agreement.

**Rancho San Antonio Retirement Housing Corporation
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CARES Act grant – On March 27, 2020, the United States Congress passed the Coronavirus Aid, Relief, and Economic Securities (CARES) Act. The CARES Act included provisions for healthcare under the Provider Relief Fund. During 2023 and 2022, the Company received funds under the Provider Relief Fund, administered by the U.S. Department of Health & Human Services (HHS) of \$0 and \$327,330, respectively. The Company was required to and did timely sign attestations agreeing to the terms and conditions of payment. Those terms and conditions include measures to prevent fraud and misuse. Documentation is required to ensure that these funds are to be used for healthcare-related expenses or lost revenue attributable to COVID-19, limitations of out-of-pocket payments from certain patients, and the acceptance of several other reporting and compliance requirements. It is noted that anti-fraud monitoring and auditing will be performed by HHS and the Office of the Inspector General. For the years ended December 31, 2023 and 2022, the Company has recognized \$0 and \$327,330, respectively, of the Provider Relief Fund, included as other revenue in the consolidated statements of operations.

Advertising costs – The Company expenses advertising costs as incurred. Advertising costs totaled \$280,631 and \$284,086 for the years ended December 31, 2023 and 2022, respectively.

Net operating loss – The consolidated statements of operations include net operating loss. Other income and expenses, which are excluded from net operating loss, consistent with industry practice, include escrow transaction fees amortization and exit fees, interest income, unrealized (loss) gain on interest rate swap, and other expense.

Recent accounting pronouncements – In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASU 2016-13)*, which modifies the existing impairment for financial assets, such as trade receivables, loans, debt securities, and purchase credit-deteriorated assets. ASU No. 2019-10, *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*, deferred the effective date of ASU 2016-13 until fiscal years beginning after December 15, 2022. The Company adopted ASU 2016-13 for fiscal year 2023 and the adoption had no material impact to the consolidated financial statements.

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Notes to Consolidated Financial Statements

Note 3 – Fair Value of Assets and Liabilities

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

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

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

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

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

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

The fair values of the financial instruments, at December 31, 2023 and 2022, represent management's best estimates of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects management's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by management based on the best information available in the circumstances.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Marketable investment securities – Marketable equity securities and fixed income funds are measured using quoted market prices at the reporting date multiplied by the quantity held. For the years ended December 31, 2023 and 2022, management has performed a qualitative assessment and has determined that no securities were impaired.

Interest rate swap agreement – The fair value is estimated by a third party using inputs that are observable or that can be corroborated by observable market data; therefore, are classified within Level 2 of the valuation hierarchy.

**Rancho San Antonio Retirement Housing Corporation
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Notes to Consolidated Financial Statements**

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

	2023			Total
	Level 1	Level 2	Level 3	
Investments				
Equity				
Domestic	\$ 11,849,945	\$ -	\$ -	\$ 11,849,945
International	7,081,029	-	-	7,081,029
Fixed income funds				
Domestic	8,011,324	-	-	8,011,324
International	3,539,887	-	-	3,539,887
Total investments	30,482,185	-	-	30,482,185
Interest rate swap	-	711,182	-	711,182
Total	<u>\$ 30,482,185</u>	<u>\$ 711,182</u>	<u>\$ -</u>	<u>\$ 31,193,367</u>

	2022			Total
	Level 1	Level 2	Level 3	
Investments				
Equity				
Domestic	\$ 9,206,037	\$ -	\$ -	\$ 9,206,037
International	5,638,862	-	-	5,638,862
Fixed income funds				
Domestic	8,099,583	-	-	8,099,583
International	3,446,802	-	-	3,446,802
Total investments	26,391,284	-	-	26,391,284
Interest rate swap	-	927,280	-	927,280
Total	<u>\$ 26,391,284</u>	<u>\$ 927,280</u>	<u>\$ -</u>	<u>\$ 27,318,564</u>

Investments, at fair value, at December 31, included the following:

	2023	2022
Investments	\$ 11,129,845	\$ 9,633,362
Board-designated investments	19,352,340	16,757,922
	<u>\$ 30,482,185</u>	<u>\$ 26,391,284</u>

**Rancho San Antonio Retirement Housing Corporation
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Notes to Consolidated Financial Statements

Note 4 – Long-Term Debt

Construction loan payable – On December 11, 2018, the Company obtained a \$75,000,000 construction loan due December 10, 2021, from BBVA. In 2021, BBVA was purchased by PNC Bank, and the debt was automatically transferred to PNC Bank. In December 2023, the Company entered into an amendment with PNC Bank, which extended the maturity date of the loan to December 10, 2031, and the loan amount was amended to \$38,000,000. The new amendment required the Company to deposit in a construction escrow account in an amount equal to \$11,081,832. The construction escrow account balance is \$10,911,574 at December 31, 2023, and is included in restricted cash and cash equivalents.

Under the terms of the construction loan payable to PNC Bank, the Company is required to comply with certain debt covenants with respect to additional borrowings, financial reporting, and maintenance of certain financial ratios. Management believes they are in compliance with these covenants at December 31, 2023 and 2022.

Construction loan payable consisted of the following at December 31:

	2023	2022
<p>Construction loan payable to PNC Bank, with a variable interest rate of Secured Overnight Financing Rate plus applicable margin. During 2023, the Company entered into the fourth amendment with PNC, extending the maturity date to December 10, 2031. The interest rate was 7.04% and 5.51% at December 31, 2023 and 2022, respectively. Principal payable upon close of each independent living unit sale with interest payable monthly. Collateralized with the first leasehold deed of trust on the 23600 Via Esplendor property and 23500 Cristo Rey Drive property.</p>	\$ 38,000,000	\$ 20,912,543
Less: current portion	(600,086)	(20,912,543)
	\$ 37,399,914	\$ -

**Rancho San Antonio Retirement Housing Corporation
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Notes to Consolidated Financial Statements

Paycheck Protection Program loan – In May 2020, RHC and RSI entered into loan agreements with BBVA for \$1,705,295 and \$1,931,879, respectively. Both loans were granted as part of the U.S. Small Business Administration (SBA) Paycheck Protection Program under the CARES Act, to help small businesses and organizations maintain payroll in light of the COVID-19 pandemic. In 2021, BBVA was purchased by PNC Bank, and the debt was automatically transferred to PNC Bank. The Company applied for loan forgiveness for both loans. RHC's loan forgiveness was granted on February 9, 2022, for \$1,587,560 of principal and \$28,488 of interest, and the unforgiven RHC loan amount of \$117,735 of principal and \$2,340 of interest was repaid to SBA on May 5, 2022. RSI's loan forgiveness was granted on March 25, 2022, for \$1,741,746 of principal and \$33,238 of interest, and the unforgiven RSI loan amount of \$190,133 of principal and \$3,786 of interest was repaid to SBA on May 5, 2022. It is the Company's policy to account for this loan in accordance with FASB ASC Topic 470, *Debt*, with interest accrued and expensed over the term of the loan, or until forgiveness is granted, releasing the Company from the obligation. The outstanding balance has been derecognized as a current liability at December 31, 2022, and recognized as a gain on forgiveness of Paycheck Protection Program loan during the year ended December 31, 2022, in the consolidated statements of operations.

Interest rate swap – In December 2018, RHC entered into an interest rate swap agreement with BBVA for \$32,000,000 to reduce the risk of overall changes in cash flows attributable to changes in interest rates related to the construction loan. The effective date was December 10, 2021, and maturing on December 10, 2031. In 2021, BBVA was purchased by PNC Bank, and the swap agreement was automatically transferred to PNC Bank. In June 2023, RHC entered into an amendment with PNC Bank, which modified the notional amount to \$31,205,116 and the effective date to June 1, 2023. Changes in fair value are recognized as nonoperating other income (expense) on the consolidated statements of operations. At December 31, 2023 and 2022, the interest rate swap agreement was in an asset position with a fair value of \$711,182 and \$927,280, respectively.

Note 5 – Management Services

In June 2012, the Company entered into a management agreement with Life Care Services, LLC (the Manager), for a term of five years, which was extended through May 31, 2022, with an optional automatic successive five years' of annual renewal unless written notice of intent not to renew by either party is provided at least 365 days prior to the end of each year. In May 2022, the Company entered into an amendment with the Manager to extend the management agreement to May 31, 2027. The fee paid to the Manager is 4.19% of gross revenue, as defined in the management agreement. Management fees totaled \$1,739,820 and \$1,426,757 for the years ended December 31, 2023 and 2022, respectively. The Manager utilizes its centralized payroll, purchasing, distribution functions, and employee benefit plans for the Company.

Note 6 – Continuing Care Reserve Requirements

RHC is subject to statutory reserve requirements. At December 31, 2023 and 2022, RHC's reserves, as calculated in accordance with Continuing Care Contract Statutes of the California Health and Safety Code, were in excess of such requirements.

**Rancho San Antonio Retirement Housing Corporation
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Notes to Consolidated Financial Statements

Note 7 – Income Taxes

The provision for income taxes was \$800 and \$619,467 for the years ended December 31, 2023 and 2022, respectively.

Deferred taxes are recorded for differences in the timing of the recognition of revenues and expenses for financial reporting and income tax purposes. A deferred tax asset is recognized for all deductible temporary differences and operating loss carryforwards. A valuation allowance is recognized if it is more likely than not that some portion or all of the deferred tax asset will not be recognized.

	2023	2022
Deferred income tax assets (liabilities)		
Net operating loss, capital loss, and contributions carryover	\$ 5,213,040	\$ 5,663,108
Buyers fees	1,254,573	1,164,115
Depreciation	(1,262,745)	(1,441,743)
Bad debts	26,584	18,469
Accrued liabilities and change in accounting method	209,137	237,545
Unrealized gain on securities	(1,076,078)	(98,940)
Unrealized loss on interest rate swap	(199,014)	(259,486)
	4,165,497	5,283,068
Total deferred income tax assets	4,165,497	5,283,068
Valuation allowance	(4,165,497)	(5,283,068)
	\$ -	\$ -
Net deferred income taxes		

The valuation allowance decreased by \$1,117,571 during the year ended December 31, 2023, and increased by \$628,429 during the year ended December 31, 2022.

Net operating losses incurred after December 31, 2017, can only offset 80% of taxable income. However, these net operating losses may be carried forward indefinitely instead of limited to 20 years under previous tax law. Carrybacks of these losses are no longer permitted. Net operating loss carryforwards for federal tax purposes amount to approximately \$21,551,556, of which \$5,021,377 began to expire in 2025 and \$16,530,179 may be carried forward indefinitely. Net operating loss carryforwards for California tax purposes amount to approximately \$9,837,100 and begin to expire in 2029.

Management has evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the consolidated financial statements.

Note 8 – Commitments and Contingencies

In the ordinary course of business, the Company may be a party to claims and legal actions. While the outcome cannot be determined at this time, management's opinion is the liability, if any, from these actions will not have a material adverse effect on the Company's consolidated financial position or results of operations.

**Rancho San Antonio Retirement Housing Corporation
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Notes to Consolidated Financial Statements

Note 9 – Health and Safety Code Section 1790(A)(3) Disclosure

The following disclosure is made pursuant to Section 1790(a)(3) of the California Health & Safety Code: Through December 31, 2023, the Company has expended \$99,271,164 for the new buildings and major renovations project.

Note 10 – Subsequent Events

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

Subsequent events have been evaluated through April 24, 2024, which is the date the consolidated financial statements are available to be issued.

Supplementary Information

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.
Consolidating Balance Sheet
December 31, 2023**

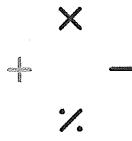
	RHC	RSI	Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 16,731,228	\$ 5,865,281	\$ -	\$ 22,596,509
Investments	11,129,845	-	-	11,129,845
Accounts receivable	48,267	1,411,465	-	1,459,732
Accounts receivable from RSI	7,710,971	-	(7,710,971)	-
Prepaid expenses and other assets	1,682,070	606,227	-	2,288,297
Total current assets	<u>37,302,381</u>	<u>7,882,973</u>	<u>(7,710,971)</u>	<u>37,474,383</u>
PROPERTY AND EQUIPMENT				
Land rights and improvements	17,198,521	-	-	17,198,521
Buildings and improvements	196,092,502	-	-	196,092,502
Furniture and equipment	15,835,194	-	-	15,835,194
Construction in process	31,146,889	-	-	31,146,889
Property and equipment	260,273,106	-	-	260,273,106
Less: accumulated depreciation	<u>(119,714,637)</u>	<u>-</u>	<u>-</u>	<u>(119,714,637)</u>
Property and equipment, net	140,558,469	-	-	140,558,469
INTEREST RATE SWAP	711,182	-	-	711,182
RESTRICTED CASH AND CASH EQUIVALENTS	10,911,574	-	-	10,911,574
BOARD-DESIGNATED INVESTMENTS	10,960,127	8,392,213	-	19,352,340
Total assets	<u>\$ 200,443,733</u>	<u>\$ 16,275,186</u>	<u>\$ (7,710,971)</u>	<u>\$ 209,007,948</u>
LIABILITIES AND MEMBERS' EQUITY				
CURRENT LIABILITIES				
Accrued liabilities	\$ 3,749,605	\$ 906,992	\$ -	\$ 4,656,597
Accounts payable to RHC	-	7,710,971	(7,710,971)	-
Current portion of deferred escrow transaction fees	520,329	-	-	520,329
Member advances	-	14,800,001	-	14,800,001
Current portion of construction loan payable	600,086	-	-	600,086
Total current liabilities	4,870,020	23,417,964	(7,710,971)	20,577,013
CONSTRUCTION LOAN PAYABLE, net of current portion	37,399,914	-	-	37,399,914
DEFERRED ESCROW TRANSACTION FEES, net of current portion	3,962,915	-	-	3,962,915
Total liabilities	46,232,849	23,417,964	(7,710,971)	61,939,842
MEMBERS' EQUITY	<u>154,210,884</u>	<u>(7,142,778)</u>	<u>-</u>	<u>147,068,106</u>
Total liabilities and members' equity	<u>\$ 200,443,733</u>	<u>\$ 16,275,186</u>	<u>\$ (7,710,971)</u>	<u>\$ 209,007,948</u>

See report of independent auditors.

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.
Consolidating Statement of Operations
Year Ended December 31, 2023**

	RHC	RSI	Eliminations	Total
REVENUES				
Resident service revenue	\$ 20,294,839	\$ 15,152,478	\$ -	\$ 35,447,317
Ancillary revenue	193,584	1,119,764	-	1,313,348
Appreciation on resale of memberships	5,500,892	-	-	5,500,892
Commission on sale of memberships	1,712,984	-	-	1,712,984
Rental income from RSI	247,848	-	(247,848)	-
Net unrealized loss on investments	2,556,620	935,201	-	3,491,821
Interest and investment income	1,114,636	370,880	-	1,485,516
Other revenue	286,763	215,719	-	502,482
Total revenues	31,908,166	17,794,042	(247,848)	49,454,360
OPERATING EXPENSES				
Salaries	9,089,850	9,591,172	-	18,681,022
Employee benefits and taxes	2,714,256	2,660,806	-	5,375,062
Insurance	2,305,650	611,666	-	2,917,316
Legal and professional	601,967	73,586	-	675,553
Depreciation	7,303,649	-	-	7,303,649
Management fees	1,071,591	668,229	-	1,739,820
Marketing	388,373	83,641	-	472,014
Property taxes	996,468	-	-	996,468
Utilities	1,702,501	674,208	-	2,376,709
Cable and IT services	531,200	357,525	-	888,725
Maintenance and supplies	2,065,295	434,090	-	2,499,385
Food and supplies	1,994,493	1,028,669	-	3,023,162
Ancillary	-	769,996	-	769,996
Other	-	2,349,301	-	2,349,301
Rental expense to RHC	-	247,848	(247,848)	-
Total operating expenses	30,765,293	19,550,737	(247,848)	50,068,182
NET OPERATING LOSS	1,142,873	(1,756,695)	-	(613,822)
OTHER INCOME (EXPENSE)				
Amortization of escrow transaction and exit fees	2,087,482	(44,745)	-	2,042,737
Interest income	-	-	-	-
Unrealized gain on interest rate swap	(216,098)	-	-	(216,098)
Gain on forgiveness of Paycheck Protection Program loan	-	-	-	-
Other expense	(56,830)	(17,947)	-	(74,777)
Income (loss) before provision for income taxes	2,957,427	(1,819,387)	-	1,138,040
PROVISION FOR INCOME TAXES	-	(800)	-	(800)
NET INCOME (LOSS)	\$ 2,957,427	\$ (1,820,187)	\$ -	\$ 1,137,240

See report of independent auditors.



Report of Independent Auditors and
Continuing Care Liquid Reserve Schedules

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.**

December 31, 2023



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Report of Independent Auditors

The Members of the Audit Committee and the Board of Directors
Rancho San Antonio Retirement Housing Corporation and
Rancho San Antonio Retirement Services, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rancho San Antonio Retirement Housing Corporation and Rancho San Antonio Retirement Services, Inc. (collectively referred to as the Company), which comprise the continuing care liquid reserve schedules, Form 5-1 through Form 5-5, as of and for the year ended December 31, 2023, and the related note to the continuing care liquid reserve schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, continuing care reserves of the Company as of and for the year ended December 31, 2023, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rancho San Antonio Retirement Housing Corporation and Rancho San Antonio Retirement Services, Inc., 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 Rancho San Antonio Retirement Housing Corporation and Rancho San Antonio Retirement Services, Inc.'s 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 Rancho San Antonio Retirement Housing Corporation and Rancho San Antonio Retirement Services, Inc.'s 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.

Basis of Accounting

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

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplementary Form 5-1, Reconciliation to Audit Report and Supplementary Form 5-5, Reconciliation to Audit Report, presented as a supplementary schedule, is presented for the purpose of additional analysis and is 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

Our report is intended solely for the information and use of the Board of Directors and management of the Company, 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.

Moss Adams LLP

San Francisco, California
April 24, 2024

Continuing Care Liquid Reserve Schedules

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.**

Form 5-1

**Long-Term Debt Incurred in Prior Fiscal Year
December 31, 2023**

FORM 5-1
LONG-TERM DEBT INCURRED
IN 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	12/11/18	\$0	\$1,033,000	\$0	\$1,033,000
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
	TOTAL:	\$0	\$1,033,000	\$0	\$1,033,000

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

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

PROVIDER: Rancho San Antonio, RHC & RSI

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.**

Form 5-2

**Long-Term Debt Incurred During Fiscal Year
December 31, 2023**

**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: Rancho San Antonio, RHC & RSI

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.**
Form 5-3
Calculation of Long-Term Debt Reserve Amount
December 31, 2023

Line	FORM 5-3 CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT	TOTAL
1	Total from Form 5-1 bottom of Column (e)	<u>\$1,033,000</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)	<u>\$0</u>
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	<u><u>\$1,033,000</u></u>

PROVIDER: Rancho San Antonio, RHC & RSI

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.**
Form 5-4
Calculation of Net Operating Expenses
December 31, 2023

Line	FORM 5-4 CALCULATION OF NET OPERATING EXPENSES	Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$50,068,182</u>
2	Deductions:		
a.	Interest paid on long-term debt (see instructions)	<u>\$1,033,000</u>	
b.	Credit enhancement premiums paid for long-term debt (see instructions)	<u>\$0</u>	
c.	Depreciation	<u>\$7,303,649</u>	
d.	Amortization	<u>\$0</u>	
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$1,521,031</u>	
f.	Extraordinary expenses approved by the Department	<u>\$0</u>	
3	Total Deductions		<u>\$9,857,680</u>
4	Net Operating Expenses		<u>\$40,210,502</u>
5	Divide Line 4 by 365 and enter the result.		<u>\$110,166</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$8,262,450</u></u>
PROVIDER:	<u>Rancho San Antonio, RHC & RSI</u>		
COMMUNITY:	<u>Rancho San Antonio, dba, The Forum at Rancho San Antonio</u>		

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.**

Form 5-5

Annual Reserve Certification

December 31, 2023

ANNUAL RESERVE CERTIFICATION

Provider Name: Rancho San Antonio, RHC & RSI
 Fiscal Year Ended: December 31, 2023

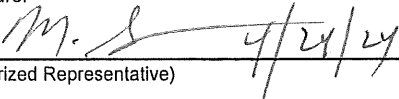
We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/2023 and are in compliance with those requirements.

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	\$1,033,000
[2] Operating Expense Reserve Amount	\$8,262,450
[3] Total Liquid Reserve Amount:	\$9,295,450

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

<u>Qualifying Asset Description</u>	<u>(market value at end of quarter)</u>	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	\$1,033,000	\$21,563,509
[5] Investment Securities	\$0	\$11,129,845
[6] Equity Securities	\$0	\$0
[7] Unused/Available Lines of Credit	\$0	\$0
[8] Unused/Available Letters of Credit	\$0	\$0
[9] Debt Service Reserve	\$0	(not applicable)
[10] Other: Board Designated Investments	\$0	\$19,352,340
(describe qualifying asset)		
Listed for Reserve Obligation: [11]	\$1,033,000	[12] \$52,045,694
Reserve Obligation Amount: [13]	\$1,033,000	[14] \$8,262,450
Surplus/(Deficiency): [15]	\$0	[16] \$43,783,244

Signature: 
 (Authorized Representative)
 Chief Financial Officer
 (Title)

Date: _____

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.
Note to Continuing Care Liquid Reserve Schedules**

Note 1 – Basis of Accounting

The accompanying continuing care liquid reserve 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 Rancho San Antonio Retirement Housing Corporation (RHC) and Rancho San Antonio Retirement Services, Inc. (RSI), assets, liabilities, revenues, and expenses.

Supplementary Schedule

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.**
Supplementary Form 5-1
Reconciliation to Audit Report
December 31, 2023

Cash paid for interest	\$ 1,593,300
Less: cash received for interest for interest rate swap	<u>560,300</u>
	<u>\$ 1,033,000</u>

**Rancho San Antonio Retirement Housing Corporation
and Rancho San Antonio Retirement Services, Inc.**
Supplementary Form 5-5
Reconciliation to Audit Report
December 31, 2023

Description of Reserves Under SB 1212 – Cash and Cash Equivalents

Cash and Cash Equivalents
As of 12/31/2023

	<u>Total</u>
Cash and cash equivalents	\$ 22,596,509
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 22,596,509</u>
TOTAL CASH AND CASH EQUIVALENTS FOR DEBT SERVICE RESERVE	\$ 1,033,000
TOTAL CASH AND CASH EQUIVALENTS FOR OPERATING RESERVE	<u>21,563,509</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 22,596,509</u>

**Provider Name: Rancho San Antonio Retirement Housing Corporation and
Rancho San Antonio Retirement Services, Inc.**

Fiscal Year Ended: 12/31/2023

DSS – Reserve Report – Supplementary part of Form 5-5

Description of Reserves under SB 1212

Cash and Cash Equivalents	\$22,596,509
TOTAL CASH AND CASH EQUIVALENTS	<u><u>\$22,596,509</u></u>
TOTAL CASH AND CASH EQUIVALENTS FOR DEBT SERVICE RESERVE	\$1,033,000
TOTAL CASH AND CASH EQUIVALENTS FOR OPERATING RESERVE	\$21,563,509
TOTAL CASH AND CASH EQUIVALENTS	<u><u>\$22,596,509</u></u>

Per Capita Cost of Operations Operating Expenses (Form 5-4 line #1)	\$50,068,182
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Mean number of all residents (Form 1-1 line #10)	512
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Per Capita Cost of Operations	<u><u>\$97,789</u></u>
--------------------------------------	------------------------

(a) See Note 2 in consolidated financial statements for description of unexpended escrow transaction and exit fees for Healthcare Center purposes.

**Continuing Care Retirement Community
Disclosure Statement
General Information**

Date Prepared: 04/23/2024

FACILITY NAME: Rancho San Antonio - Retirement Housing Corp (RHC) & Retirement Services, Inc. (RSI) dba The Forum at Rancho San Antonio
 ADDRESS: 23500 Cristo Rey Dr. Cupertino CA ZIP CODE: 95014 PHONE: 650-944-0100
 PROVIDER NAME: RSA, RHC & RSI FACILITY OPERATOR: Managed by Life Care Services
 RELATED FACILITIES: _____ RELIGIOUS AFFILIATION: none
 YEAR 1991 # OF 52 SINGLE MULTI- MILES TO SHOPPING CTR: 1.5
 OPENED: 1991 ACRES: 52 STORY 83 OTHER: _____ MILES TO HOSPITAL: < 5

NUMBER OF UNITS:

RESIDENTIAL LIVING	HEALTH CARE
APARTMENTS — STUDIO: _____	ASSISTED LIVING: <u>58</u>
APARTMENTS — 1 BDRM: <u>135</u>	SKILLED NURSING: <u>48</u>
APARTMENTS — 2 BDRM: <u>124</u>	SPECIAL CARE: <u>26 (Memory Care)</u>
COTTAGES/HOUSES: <u>83</u>	DESCRIPTION: > _____
RLU OCCUPANCY (%) AT YEAR END: <u>97%</u>	> _____

TYPE OF OWNERSHIP: NOT-FOR-PROFIT FOR-PROFIT ACCREDITED?: YES NO BY: _____

FORM OF CONTRACT: CONTINUING CARE LIFE CARE ENTRANCE FEE FEE FOR SERVICE
 (Check all that apply) ASSIGNMENT OF ASSETS EQUITY MEMBERSHIP RENTAL

REFUND PROVISIONS: (Check all that apply) 90% 75% 50% FULLY AMORTIZED OTHER: Equity RCFE

RANGE OF ENTRANCE FEES: \$ N/A - \$ _____ LONG-TERM CARE INSURANCE REQUIRED? YES NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: 90 temporary care days, and discounted membership fee

ENTRY REQUIREMENTS: MIN. AGE: 60 PRIOR PROFESSION: _____ OTHER: Application

RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD (briefly describe provider's compliance and residents' role): > _____
Per RHC Bylaws, Board Directors are elected by the resident members
 > (board members elected are residents w/in the community, nominated by the nominating committee). Per RSI Bylaws, RHC is the sole member and appoints 7 RSI board members, 5 required to be residents.

FACILITY SERVICES AND AMENITIES					
COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	HOUSEKEEPING (4 TIMES/MONTH)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS (1/DAY)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input type="checkbox"/>	<input type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CRAFT ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EXERCISE ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input type="checkbox"/>	<input type="checkbox"/>
PUTTING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SHUFFLEBOARD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-INDOOR	<input type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WORKSHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OTHER <u>High Speed Internet</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>			

PROVIDER NAME: Rancho San Antonio - RHC & RSI, dba The Forum at Rancho San Antonio

OTHER CCRCs

LOCATION (City, State)

PHONE (with area code)

Forum at Rancho San Antonio, RHC

23500 Cristo Rey Dr. Cupertino, CA 95014

650-944-0100

Forum at Rancho San Antonio, RSI

23600 Cristo Rey Dr. Cupertino, CA 95014

650-944-0200

MULTI-LEVEL RETIREMENT COMMUNITIES

LOCATION (City, State)

PHONE (with area code)

Forum at Rancho San Antonio, RHC

23500 Cristo Rey Dr. Cupertino, CA 95014

650-944-0100

Forum at Rancho San Antonio, RSI

23600 Cristo Rey Dr. Cupertino, CA 95014

650-944-0200

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: Rancho San Antonio - RHC & RSI, dba The Forum at Rancho San Antonio

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME				
(Excluding amortization of entrance fee income)	\$37,640,187	\$41,226,907	\$34,167,245	\$49,454,360
LESS OPERATING EXPENSES				
(Excluding depreciation, amortization, and interest)	-\$34,038,730	-\$35,222,292	-\$37,045,067	-\$42,764,533
NET INCOME FROM OPERATIONS	<u>\$3,601,457</u>	<u>\$6,004,615</u>	<u>-\$2,877,822</u>	<u>\$6,689,827</u>
LESS INTEREST EXPENSE	<u>-\$23,950</u>	<u>-\$36,670</u>	<u>\$54,494</u>	<u>\$0</u>
PLUS CONTRIBUTIONS				
PLUS NON-OPERATING INCOME (EXPENSES)				
(excluding extraordinary items)	\$1,087,225	\$1,545,776	\$1,523,179	\$1,967,160
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	<u>\$4,664,732</u>	<u>\$7,513,721</u>	<u>-\$1,300,149</u>	<u>\$8,656,987</u>
NET CASH FLOW FROM ENTRANCE FEES				
(Total Deposits Less Refunds)				

DESCRIPTION OF SECURED DEBT (as of most recent fiscal year end)

<u>LENDER</u>	<u>OUTSTANDING BALANCE</u>	<u>INTEREST RATE</u>	<u>DATE OF ORIGATION</u>	<u>DATE OF MATURITY</u>	<u>AMORTIZATION PERIOD</u>
PNC	\$38,000,000	5.09%	12/11/18	12/10/31	monthly

FINANCIAL RATIOS (see next page for ratio formulas)

	<u>2017 CCAC Medians 50th Percentile (optional)</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
DEBT TO ASSET RATIO		0.04	0.11	0.18
OPERATING RATIO		0.89	1.08	0.86
DEBT SERVICE COVERAGE RATIO		49.7	8.0	7.77
DAYS CASH ON HAND RATIO		530	470	453

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	<u>2020</u>	<u>%</u>	<u>2021</u>	<u>%</u>	<u>2022</u>	<u>%</u>	<u>2023</u>	<u>%</u>
STUDIO								
ONE BEDROOM	\$2,570	5.0%	\$2,699	5.0%	\$2,834	5.0%	\$3,146	11.0%
TWO BEDROOM	\$4,140	5.0%	\$4,347	5.0%	\$4,565	5.0%	\$5,067	11.0%
COTTAGE/HOUSE	\$4,283	5.0%	\$4,497	5.0%	\$4,722	5.0%	\$5,241	11.0%
ASSISTED LIVING	\$4,606	2.3%	\$4,715	2.4%	\$4,943	4.8%	\$5,486	11.0%
SKILLED NURSING	\$6,558	2.7%	\$6,768	3.2%	\$7,118	5.2%	\$7,900	11.0%
SPECIAL CARE	\$1,739	2.1%	\$1,795	3.2%	\$1,886	5.1%	\$2,296	21.7%

COMMENTS FROM PROVIDER: > HC Fee: 2020 = \$734 (5.0%); 2021 = \$771 (5.0%); 2022 = \$810 (5.0%); 2023 = \$899.10 (11.0%)

> Rates for 3 of 10 specific IL units are listed above. See attached fee schedule for each rate.

> Cash flow above excludes non-cash Unrealized Gain on Interest Rate SWAP.

FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

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

OPERATING RATIO

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

DEBT SERVICE COVERAGE RATIO

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

DAYS CASH ON HAND RATIO

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

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 SERVICE FEES

	<u>RESIDENTIAL LIVING</u>	<u>ASSISTED LIVING</u>	<u>SKILLED NURSING</u>
[1] Monthly Service Fees at beginning of reporting period: (Indicate range, if applicable)	\$3145-\$8423 plus \$899 HC Fee	\$5486 plus \$899 HC Fee	\$7900 plus \$899 HC Fee
[2] Indicate percentage of increase in fees imposed during reporting period: (Indicate range, if applicable)	11% and 11% HC Fee	11% and 11% HC Fee	11% and 11% HC Fee

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

[3] Indicate the date the fee increase was implemented: Jan 1, 2023
(If more than 1 increase was implemented, indicate the dates for each increase.)

[4] Check each of the appropriate boxes:

- Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.
- All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. **Date of Notice:** Oct 31, 2022
Method of Notice: Meeting and Mail
- At least 30 days prior to the increase in monthly service fees, the designated representative of the provider convened a meeting that all residents were invited to attend. **Date of Meeting:** Sep 29 2022
- At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.
- The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases. **Date of Notice:** Sep 14 2022
- 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:** Sep 14 2022
Location of Posting: Mail Box Area

[5] On an attached page, provide a concise explanation for the increase in monthly service fees including the amount of the increase.

PROVIDER: Rancho San Antonio, RHC & RSI
COMMUNITY: Rancho San Antonio, RHC & RSI

**FORM 7-1 MONTHLY CARE FEE INCREASE (MCFI)
ANNUAL REPORTING FISCAL YEAR (F/Y) 2023**

Dollar Amounts in Thousands

Line	Fiscal Years	2021	2022	2023
1	FY 2021 Operating Expenses < 1 >	-\$41,182		
2	FY 2022 Operating Expenses < 2 > (Adjustments if any, Explained Below)		-\$43,673	
3	Projected FY 2023 Results of Operations < 2 > (Adjustments < 3 > Explained Below)			-\$48,628
4	FY 2023 Anticipated MCF Revenue < 2 > Based on Current and Projected Occupancy and Other without a MCFI			\$36,432
5	Projected FY 2023 (Net) Operating Results < 2 > without a MCFI (Line 3 plus 4)			-\$12,196
6	Projected FY 2023 Anticipated Revenue Based on Current and Projected Occupancy and Other with MCFI 11%			\$40,440
7	Grand Total - Projected FY 2023 Net Operating Activity After 11% MCFI (Lines 3 plus 6)			-\$8,188
				11.0%

Monthly Care Fee Increase:

Narrative

FY21: Sufficient Fee increases were needed to ensure continuity during the Pandemic. Lower Occupancy pressure as well as hyper competitive labor market were drivers.

FY22: The impact of the Pandemic was tapering off, however a hyper competitive labor market pressured fees.

FY23: Significant increase in Property Insurance premiums, combined with a continued competitive labor market, required an 11% Fee increase.

- < 1 > Enter the total operating expenses from the independent audit of the Statement of Operations
- < 2 > Internal Accounting and Budget Records does not include entrance fees
- < 3 > "Adjustments" can include but not limited to reserves
- < 4 > "Other" can include but not limited to Contributions and Ancillary

ATTACHMENT TO FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES
EXPLANATION FOR INCREASE IN MONTHLY SERVICE FEES
THE FORUM AT RANCHO SAN ANTONIO

The goal of The Forum's annual budgeting and rate setting process is to establish an operational and financial plan that meets the current needs of the residents by delivering upon our contractual obligations to the membership, that meets resident satisfaction survey metrics, and that maintains or strengthens the balance sheet.

Monthly Independent Living Occupancy Fees were increased 11%, and Monthly Healthcare Occupancy Fees were also increased 11%. Miscellaneous Ancillaries were relatively flat. General inflation and the increased cost of Property Insurance necessitated the larger-than-historical fee increases.

2023 was planned to be a rebuilding year, as the major effects of Covid-19 pandemic subsided, and The Forum began to increase Healthcenter Census, as the Construction Project was planned to end. Ensuring staffing continuity and salary competitiveness remained critical. The financial plan and corresponding fee schedules were tuned to support this priority.

The resulting Net Operating Income allows the Community to support the competitive labor pool while ensuring sufficient resources to provide the services and experiences committed to the residents, allowing continued investment in capital growth and improvements.

Key Indicators Report

2023 Narrative

Beginning December 2018, The Forum began a multi-year Construction project – the Master Plan. The scope of the investment is:

- Build 23 new Independent Living Villas
- Build a 26 resident capacity state of the art Memory Care building
- Build a 28 resident capacity new Skilled Nursing building
- Renovate the current Skilled Nursing building
- Renovate the Independent Living Dining Room

Resident Proceeds from the 23 new Villas were used to pay down a large portion of the construction loan. At the end of 2023, the loan balance was \$38M, as the remaining \$11M funds to complete the project were advanced. The new Skilled Nursing building will complete in 2024. The current Skilled Nursing building renovation has been temporarily suspended.

Net Operating Margin will decline during construction as capacity will be temporarily reduced, then will once again grow with the additional capacity. Once all construction completes and occupancy and census stabilize, margins will grow to pre-construction levels.

Days Cash On Hand metrics will decline during construction, as Revenue will lag expenses initially, but will eventually turn around and become accretive to operations. The Forum is currently in an Interest-Only loan through 2023. Effective 2024, the \$38M loan will begin to amortize and principal payments will commence.

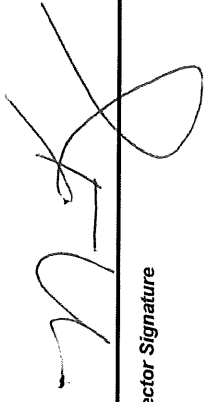
Average Annual Effective Interest Rate will remain relatively flat over the coming years. As of December 2021, an interest rate SWAP commenced, based on a December 2018 Agreement. Rates were fixed at 4.64% for \$32M of the \$38M obligation.

Average Age of Facility remains relatively flat over the coming years as the new Master Plan buildings depreciation begins to be recognized, as well as some large improvement projects complete (e.g., roof replacement, paving, common area refresh).

KEY INDICATORS REPORT: Rancho San Antonio, RHC & RSI

Date Prepared: 4/24/24

Executive Director Signature



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

	2019	2020	2021	2022	2023	Projected	Projected				Preferred Trend Indicator	
						2024	2025	2026	2027	2028		
OPERATIONAL STATISTICS												
1. Average Annual Occupancy by Site (%)	96.20%	90.40%	90.47%	84.20%	88.30%	95.60%	95.00%	95.00%	95.00%	95.00%	95.00%	N/A
MARGIN (PROFITABILITY) INDICATORS												
2. Net Operating Margin (%)	15.51%	9.57%	14.56%	-8.42%	13.53%	6.33%	7.80%	8.96%	9.68%	10.80%	10.80%	↑
3. Net Operating Margin - Adjusted (%)	15.51%	9.57%	14.56%	-8.42%	13.53%	6.33%	7.80%	8.96%	9.68%	10.80%	10.80%	↓
LIQUIDITY INDICATORS												
4. Unrestricted Cash and Investments (\$000)	\$40,537	\$44,614	\$51,141	\$47,726	\$53,079	\$45,957	\$46,791	\$49,214	\$52,867	\$57,295	\$57,295	↑
5. Days Cash on Hand (Unrestricted)	454	478	530	470	453	340	327	325	338	355	355	↑
CAPITAL STRUCTURE INDICATORS												
6. Deferred Revenue from Entrance Fees (\$000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
7. Net Annual E/F proceeds (\$000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
8. Unrestricted Net Assets (\$000)	\$88,322	\$103,552	\$142,300	\$145,931	\$147,068	\$150,745	\$156,774	\$163,045	\$169,567	\$176,350	\$176,350	N/A
9. Annual Capital Asset Expenditure (\$000)	\$5,400	\$2,326	\$1,816	\$2,257	\$4,411	\$6,271	\$3,100	\$2,562	\$2,055	\$2,334	\$2,334	N/A
10. Annual Debt Service Coverage Revenue Basis (x)	9.86	9.00	49.70	7.95	7.80	2.28	2.61	3.05	3.35	3.77	3.77	↑
11. Annual Debt Service Coverage (x)	21.63	9.00	49.70	7.95	7.80	2.28	2.61	3.05	3.35	3.77	3.77	↑
12. Annual Debt Service/Revenue (%)	38.06%	0.00%	0.00%	0.00%	2.08%	4.78%	4.64%	4.28%	4.08%	3.91%	3.91%	↓
13. Average Annual Effective Interest Rate (%)	1.96%	1.59%	1.92%	4.53%	2.76%	5.23%	4.99%	4.92%	4.91%	4.93%	4.93%	↓
14. Unrestricted Cash & Investments/ Long-Term Debt (%)	260.94%	177.53%	786.97%	228.22%	141.92%	124.98%	129.61%	139.01%	152.49%	168.99%	168.99%	↑
15. Average Age of Facility (years)	21.54	21.89	17.89	16.96	16.39	16.46	16.39	16.46	16.60	16.81	16.81	↓

Addendum to Annual Report

2023 Checklist

- ✓ Disclosure required by Health & Safety Code Section 1790(a)(2) and (3) regarding fixed assets and reserves
- ✓ Fees
- ✓ Budgeted Cash Reserves
- ✓ Budget

**The Forum at Rancho San Antonio
Assessment and Reserve Funding Disclosure Summary
Reserve Study - Fiscal Year Ending 2022
For Budget Year Beginning 2023**

(1) The regular assessment per ownership interest is \$682.26 per month.

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page N/A of the attached summary.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment will be due:	Amount per ownership interest per month or year (If assessments are variable, see note immediately below):	Purpose of the assessment:
_____	N/A	_____
_____	_____	_____
_____	_____	_____
_____	Total: N/A	_____

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page N/A of the attached report.

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes X No ___

(4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

Approximate date assessment will be due:	Amount per ownership interest per month or year:
_____	_____
_____	_____
_____	_____
_____	Total: N/A

(5) All major components are included in the reserve study and are included in its calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$15,386,498**, based in whole or in part on the last reserve study or update prepared by **zumBrunnen, Inc** as of **Jun 2022**. The projected reserve fund cash balance at the end of the current fiscal year is **\$5,449,534**, resulting in reserves being **35** percent funded in **December 2023**.

If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is **\$N/A**.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is **\$See Below**.

Year	2023	2024	2025	2026	2027
Estimated Amount Req'd In Fund	\$15,386,498	\$15,891,195	\$18,141,645	\$20,710,691	\$22,766,526
Proj. Reserve Balance (Approved)	\$5,449,534	\$4,488,005	\$5,033,459	\$5,981,158	\$7,321,438
Percent Funded	35%	28%	28%	29%	32%

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 4% percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.5% percent per year.

(b) For the purposes of preparing a summary pursuant to this section:

(1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

(2) "Major component" has the meaning used in Section 55530. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding

Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

**2023 Assisted Living Rates For
The Forum at Rancho San Antonio (Non-Members)**

MODEL	SQ FT	DAILY RATE	AVG MONTHLY RATE
A.1 Studio	358	\$360.75 per day	\$10,973
A.2 Studio (with Patio)	358	\$377.40 per day	\$11,479
A.3 Studio	388	\$382.95 per day	\$11,648
A.4 Studio	391	\$382.95 per day	\$11,648
B.1 Single Studio / Double Studio (without Kitchen)	435	\$414.03 per day	\$12,593
B.2 Single Studio / Double Studio (with Kitchen)	435	\$414.03 per day	\$12,593
C.1 One Bed Room	520	\$512.82 per day	\$15,598
C.2 One Bed Room (with Patio)	520	\$525.03 per day	\$15,970
C.3 One Bed Room Deluxe	780	\$606.06 per day	\$18,434
Additional Charges to add to Room Charge			

*Second Person Fee (Varies upon unit size)	\$126.26	per day	\$3,840
Community Service Fee	Equal to One Months Rental Fee		

**Second Person Fee is shown above based on A.1 model unit. Other unit prices vary based on 35% of Daily Rate*

Other Applicable Fees:		Daily Rate	Avg Monthly Rate
Dementia AL/Dementia Waiver Fee Level 1		\$75.48	\$2,296

**2023 Assisted Living Rates For
The Forum at Rancho San Antonio (Members) -- page 1 of 2**

Room #	Room Type	Room Avail	Room Style	HC Occupancy Base Fee:		Private Room Differential:		Private Room Differential:		Average Monthly Rate	Health Care Fee: Monthly	Total Average Fee: Monthly
				Daily	Monthly	Daily	Monthly	Daily	Monthly			
A-1	18	Studio	358	\$180.38	\$5,486.41	\$0.00	\$0.00	\$0.00	\$0.00	\$5,486.41	\$899.10	\$6,386
A-2	14	Studio (with Patio)	358	\$180.38	\$5,486.41	\$16.65	\$506.44	\$0.00	\$0.00	\$5,992.84	\$899.10	\$6,892
A-3	8	Studio	388	\$180.38	\$5,486.41	waived	\$0.00	\$0.00	\$0.00	\$5,486.41	\$899.10	\$6,386
A-4	2	Studio	391	\$180.38	\$5,486.41	waived	\$0.00	\$0.00	\$0.00	\$5,486.41	\$899.10	\$6,386
B-1	8	Single Studio / Double Studio (without Kitchen)	435	\$180.38	\$5,486.41	\$53.28	\$1,620.60	\$1,620.60	\$7,107.01	\$7,107.01	\$899.10	\$8,006
B-2	4	Single Studio / Double Studio (with Kitchen)	435	\$180.38	\$5,486.41	\$53.28	\$1,620.60	\$1,620.60	\$7,107.01	\$7,107.01	\$899.10	\$8,006
C-1	1	One Bed Room	520	\$180.38	\$5,486.41	\$152.07	\$4,625.46	\$4,625.46	\$10,111.87	\$10,111.87	\$899.10	\$11,011
C-2	1	One Bed Room (with Patio)	520	\$180.38	\$5,486.41	\$164.28	\$4,996.85	\$4,996.85	\$10,483.26	\$10,483.26	\$899.10	\$11,382
C-3	2	One Bed Room Delux	780	\$180.38	\$5,486.41	\$245.31	\$7,461.51	\$7,461.51	\$12,947.92	\$12,947.92	\$899.10	\$13,847

Second Member (2nd Member Rate is applicable for Members who signed a Continuing Care Contract Part A and B)

Room #	Room Type	Room Avail	Room Style	HC Occupancy Base Fee:		Private Room Differential:		Private Room Differential:		Average Monthly Rate	Health Care Fee: Monthly	Total Average Fee: Monthly
				Daily	Monthly	Daily	Monthly	Daily	Monthly			
A-1	18	Studio	358	\$90.19	\$2,743.20	\$0.00	\$0.00	\$0.00	\$0.00	\$2,743.20	\$899.10	\$3,642
A-2	14	Studio (with Patio)	358	\$90.19	\$2,743.20	\$16.65	\$506.44	\$0.00	\$0.00	\$3,249.64	\$899.10	\$4,149
A-3	8	Studio	388	\$90.19	\$2,743.20	waived	\$0.00	\$0.00	\$0.00	\$2,743.20	\$899.10	\$3,642
A-4	2	Studio	391	\$90.19	\$2,743.20	waived	\$0.00	\$0.00	\$0.00	\$2,743.20	\$899.10	\$3,642
B-1	8	Single Studio / Dbl Studio (w/o Kitchen)	435	\$90.19	\$2,743.20	\$53.28	\$1,620.60	\$1,620.60	\$4,363.80	\$4,363.80	\$899.10	\$5,263
B-2	4	Single Studio / Dble Studio (w/ Kitchen)	435	\$90.19	\$2,743.20	\$53.28	\$1,620.60	\$1,620.60	\$4,363.80	\$4,363.80	\$899.10	\$5,263
C-1	1	One Bed Room	520	\$90.19	\$2,743.20	\$152.07	\$4,625.46	\$4,625.46	\$7,368.67	\$7,368.67	\$899.10	\$8,268
C-2	1	One Bed Room (with Patio)	520	\$90.19	\$2,743.20	\$164.28	\$4,996.85	\$4,996.85	\$7,740.05	\$7,740.05	\$899.10	\$8,639
C-3	2	One Bed Room Delux	780	\$90.19	\$2,743.20	\$245.31	\$7,461.51	\$7,461.51	\$10,204.72	\$10,204.72	\$899.10	\$11,104

Charge for Temporary Days, 2nd and 3rd Meal

Room #	Room Type	Room Avail	Room Style	Temp Days 2nd & 3rd Meals:		Private Room Differential:		Private Room Differential:		Average Monthly Rate	Independent Living Fees
				Daily	Monthly	Daily	Monthly	Daily	Monthly		
A-1	18	Studio	358	\$28.00	\$851.67	\$0.00	\$0.00	\$0.00	\$0.00	\$852	Members must also continue to pay their contractual Independent Living Occupancy and Health Care Fees
A-2	14	Studio (with Patio)	358	\$28.00	\$851.67	\$16.65	\$506.44	\$0.00	\$0.00	\$1,358	
A-3	8	Studio	388	\$28.00	\$851.67	waived	\$0.00	\$0.00	\$0.00	\$852	
A-4	2	Studio	391	\$28.00	\$851.67	waived	\$0.00	\$0.00	\$0.00	\$852	
B-1	8	Single Studio / Dbl Studio (w/o Kitchen)	435	\$28.00	\$851.67	\$53.28	\$1,620.60	\$1,620.60	\$2,472	\$2,472	
B-2	4	Single Studio / Dble Studio (w/ Kitchen)	435	\$28.00	\$851.67	\$53.28	\$1,620.60	\$1,620.60	\$2,472	\$2,472	
C-1	1	One Bed Room	520	\$28.00	\$851.67	\$152.07	\$4,625.46	\$4,625.46	\$5,477	\$5,477	
C-2	1	One Bed Room (with Patio)	520	\$28.00	\$851.67	\$164.28	\$4,996.85	\$4,996.85	\$5,849	\$5,849	
C-3	2	One Bed Room Delux	780	\$28.00	\$851.67	\$245.31	\$7,461.51	\$7,461.51	\$8,313	\$8,313	

**2023 Assisted Living Rates For
The Forum at Rancho San Antonio (Members) - page 2 of 2**

		(a)	(b)	(c)	(d)	(e)	(f) = (c) + (e)	(g)	(h) = (f) + (g)
		HC Occupancy Posted Base Rate:		90% Rate Daily	90% Rate Monthly	Private Room Differential Daily	Private Room Differential Monthly	Average Monthly Rate	Health Care Fee: Monthly
Other Clarifying Charges: Conditional Membership									
Conditional Member I: 90% of Posted Base Rate plus room premium as applicable (90% scales down 5% for each year of membership, starting Year 2 of membership.) Based on A-1 model unit.									
Conditional Member II: 90% of Posted Base Rate plus room premium as applicable (does not scale down)									
A-1	18 Studio	\$360.75	\$324.68	\$9,875.53	\$0.00	\$0.00	\$0.00	\$9,875.53	\$899.10
A-2	14 Studio (with Patio)	\$360.75	\$324.68	\$9,875.53	\$16.65	\$506.44	\$506.44	\$10,381.97	\$899.10
A-3	8 Studio	\$360.75	\$324.68	\$9,875.53	waived	\$0.00	\$0.00	\$9,875.53	\$899.10
A-4	2 Studio	\$360.75	\$324.68	\$9,875.53	waived	\$0.00	\$0.00	\$9,875.53	\$899.10
B-1	8 Single Studio / Double Studio (without Kitchen)	\$360.75	\$324.68	\$9,875.53	\$53.28	\$1,620.60	\$1,620.60	\$11,496.13	\$899.10
B-2	4 Single Studio / Double Studio (with Kitchen)	\$360.75	\$324.68	\$9,875.53	\$53.28	\$1,620.60	\$1,620.60	\$11,496.13	\$899.10
C-1	1 One Bed Room	\$360.75	\$324.68	\$9,875.53	\$152.07	\$4,625.46	\$4,625.46	\$14,500.99	\$899.10
C-2	1 One Bed Room (with Patio)	\$360.75	\$324.68	\$9,875.53	\$164.28	\$4,996.85	\$4,996.85	\$14,872.38	\$899.10
C-3	2 One Bed Room Delux	\$360.75	\$324.68	\$9,875.53	\$245.31	\$7,461.51	\$7,461.51	\$17,337.04	\$899.10

		(a)	(b)	(c)	(d) = (a) + (b) + (c)
		HC Occupancy Base Fee: Daily	Healthcare Fee: Daily	Meal Credit: Daily	Total Average Fee: Monthly
Other Clarifying Charges: Maintaining Membership					
(To maintain "Membership" at the Forum, either in Independent Living or the Health Care Center, one must pay an Occupancy Fee and a Health Care Fee. These fees entitle you to all Forum activities, services and other amenities. These fees must be paid, irrespective of payments from Medicare or other personal Insurance benefits. The minimum Health Center Occupancy Fee's for maintaining membership is the member rate for Model A1 AL Studio less applicable meal credits).					
2nd Member Rate is applicable for the Members who signed Continuing Care Contract Part A and B.					
Healthcare Occupancy Fee for maintaining membership:	First Member	\$180.38	\$29.56	\$(20.00)	\$189.93
Healthcare Occupancy Fee for maintaining membership:	Second Member	\$90.19	\$29.56	\$(20.00)	\$99.75
					\$3,034

Daily Rate	\$75.48
Avg Monthly Rate	\$2,296

Other Applicable Fees:
Dementia AL/Dementia Waiver Fee Level 1

2023 Memory Care Rates For The Forum at Rancho San Antonio (Non-Members)		
	DAILY RATE	
Private Room: Standard View	\$382.95	
Private Room: Open Preserve View	\$416.25	
Semi-Private Room: Courtyard View	\$333.00	
Other Applicable Fees:		
Dementia Fee Level 1	\$75.48	Avg Monthly Rate \$2,296
Dementia Fee Level 2	\$98.79	\$3,005
Dementia Fee Level 3	\$116.55	\$3,545
Memory Care Day Program	\$77.70	\$2,363
Community Service Fee: Equal to One Month's Rental Fee		

**2023 Memory Care Rates For
The Forum at Rancho San Antonio (Members) Page 1 of 2**

	(a)	(b)	(c)	(d) = (b) + (c)
Permanent Member				
Private Room Fees:				
First Member	\$191.48	\$5,824.03	\$899.10	\$6,723
First Member	\$208.13	\$6,330.47	\$899.10	\$7,230
Second Member	\$95.74	\$2,912.02	\$899.10	\$3,811
Second Member	\$104.06	\$3,165.23	\$899.10	\$4,064
Semi-Private Room Fees:				
First Member	\$166.50	\$5,064.38	\$899.10	\$5,963
Second Member	\$83.25	\$2,532.19	\$899.10	\$3,431

* 2nd Member Rate is applicable for Members who signed a Continuing Care Contract Part A and B.

Charge for Temporary Days, 2nd and 3rd Meal

	(a)	(b)
Temp Meal Fees		
Private Room	\$28.00	\$851.67
Temp Meal Fees		
Private Room	\$28.00	\$851.67
Temp Meal Fees		
Semi-Private Rm	\$28.00	\$851.67

Members must also continue to pay their contractual Independent Living Occupancy and Health Care Fees.

	Daily Rate	Avg Monthly Rate
Other Applicable Fees:		
Dementia Fee Level 1	\$75.48	\$2,296
Dementia Fee Level 2	\$98.79	\$3,005
Dementia Fee Level 3	\$116.55	\$3,545
Memory Care Day Program	\$77.70	\$2,363

**2023 Memory Care Rates For
The Forum at Rancho San Antonio (Members) Page 2 of 2**

	(a)	(b)	(c)	(d)	(e) = (c) + (d)
Other Clarifying Charges: Conditional Membership					
Conditional Member I: 90% of Posted Base Rate (90% scales down 5% for each year of membership, starting Year 2 of membership.) Based on Private model unit.					
Conditional Member II: 90% of Posted Base Rate plus room premium as applicable (does not scale down)					
	HC Occupancy Posted Base Rate: Daily	90% Rate: Daily	90% Rate: Monthly	Health Care Fee: Monthly	Total Average Fee: Monthly
Private Room: Standard View	\$382.95	\$344.66	\$10,483.26	\$899	\$11,382
Private Room: Open Preserve View	\$416.25	\$374.63	\$11,394.84	\$899	\$12,294
Semi-Private Room: Courtyard View	\$333.00	\$299.70	\$9,115.88	\$899	\$10,015

	(a)	(b)	(c)	(d) = (a) + (b) + (c)	Total Average Fee: Monthly
Other Clarifying Charges: Maintaining Membership					
(To maintain "Membership" at the Forum, either in Independent Living or the Health Care Center, one must pay an Occupancy Fee and a Health Care Fee. These fees entitle you to all Forum activities, services and other amenities. These fees must be paid, irrespective of payments from Medicare or other personal insurance benefits. The minimum Health Center Occupancy Fee's for maintaining membership is the member rate for a Model A1 Studio less applicable meal credits).					
Second Member rate is applicable for Members who signed a Continuing Care Contract Part A and B.					
Healthcare Occupancy Fee for maintaining membership: First Member	HC Occupancy Base Fee: Daily	Healthcare Fee: Daily	Meal Credit: Daily	Total Average Fee: Daily	Total Average Fee: Monthly
Healthcare Occupancy Fee for maintaining membership: First Member	\$180.38	\$29.56	(\$20.00)	\$189.93	\$5,777
Healthcare Occupancy Fee for maintaining membership: Second Member	\$90.19	\$29.56	(\$20.00)	\$99.75	\$3,034

2023 Skilled Nursing Rates For The Forum at Rancho San Antonio (Non-Members)	
	DAILY RATE
Semi private Room	\$519.48
Private Room	\$699.30

Note: \$8,000 refundable deposit required upon admission

Note: 30 day room fee required upon admission

**2023 Skilled Nursing Rates For
The Forum at Rancho San Antonio (Members) Page 1 of 2**

Permanent Member	(a)	(b)	(c)	(d) = (b) + (c)		(e)	(f)	(g) = (d) + (f)
	HC Occupancy Base Fee: Daily	HC Occupancy Base Fee: Monthly	Health Care Fee: Monthly	Total Average Standard Fee: Monthly	Private Room Differential: Daily	Private Room Differential: Monthly	Private Room Differential: Monthly	Total Average Private Room Fee: Monthly
First Member Fees	\$259.74	\$7,900.43	\$899.10	\$8,799.53	\$179.82	\$179.82	\$5,469.53	\$14,269
Second Member Fees *	\$129.87	\$3,950.21	\$899.10	\$4,849.31	\$179.82	\$179.82	\$5,469.53	\$10,319

* 2nd Member Rate is applicable for Members who signed a Continuing Care Contract Part A and B.

Charge for Temporary Days, 2nd and 3rd Meal	(a)	(b)	(c)	(d)	(e) = (b) + (d)
	Temp Days 2nd & 3rd Meals: Daily	Temp Days 2nd & 3rd Meals: Monthly	Private Room Differential: Daily	Private Room Differential: Monthly	Average Monthly Rate Private Rm
Room Type Room Style	Sq Ft	\$28.00	\$851.67	\$179.82	\$6,321
First Member Fees				\$5,469.53	
Second Member Fees		\$28.00	\$851.67	\$179.82	\$6,321

Independing Living Fees
Members must also
continue to pay their
contractual Independency and
Living Occupancy and
Health Care Fees

**2023 Skilled Nursing Rates For
The Forum at Rancho San Antonio (Members) Page 2 of 2**

	(a)	(b)	(c)	(d)	(e) = (c) + (d)	(f)	(g)	(h) = (e) + (g)
	HC Occupancy Posted Base Rate: Daily	90% Daily Rate	90% Monthly Rate	Health Care Fee: Monthly	Total Average Fee: Monthly	Private Room Differential: Daily	Private Room Differential: Monthly	Total Average Fee: Monthly Private Rm
Conditional Member I: 90% of Posted Base Rate plus room premium as applicable (90% scales down 5% for each year of membership, starting Year 2 of membership). Based on Semi-Private Room.	\$519.48	\$467.53	\$14,220.77	\$899.10	\$15,119.87	\$179.82	\$5,469.53	\$20,589
Conditional Member II: 90% of Posted Base Rate plus room premium as applicable (does not scale down)								
Conditional Memberships								

Other Clarifying Charges: Maintaining Membership

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Second Member rate is applicable for Members who signed Continuing Care Contract Part A and B.

	(a)	(b)	(c)	(d) = (a) + (b) + (c)
	HC Occupancy Base Fee: Daily	Healthcare Fee: Daily	Meal Credit: Daily	Total Average Fee: Daily
Healthcare Occupancy Fee for maintaining membership: First Member	\$180.38	\$29.56	(\$20.00)	\$189.93
Healthcare Occupancy Fee for maintaining membership: Second Member	\$90.19	\$29.56	(\$20.00)	\$99.75
				Total Average Fee: Monthly
				\$5,777
				\$3,034

Occupancy Fees:

Unit Style	2023	% Increase	2022	% Increase	2021	% Increase	2020	% Increase	2019	% Increase
A	\$3,145.74	11.00%	\$2,834	5.00%	\$2,699	5.02%	\$2,570	4.98%	\$2,448	5.29%
AD	\$3,495.39	11.00%	\$3,149	5.00%	\$2,999	5.01%	\$2,856	5.00%	\$2,720	5.30%
B	\$4,018.20	11.00%	\$3,620	4.99%	\$3,448	5.03%	\$3,283	4.99%	\$3,127	5.29%
C	\$4,542.12	11.00%	\$4,092	5.00%	\$3,897	4.98%	\$3,712	5.01%	\$3,535	5.27%
D	\$4,891.77	11.00%	\$4,407	5.00%	\$4,197	5.00%	\$3,997	4.99%	\$3,807	5.28%
E	\$5,067.15	11.00%	\$4,565	5.01%	\$4,347	5.00%	\$4,140	5.00%	\$3,943	5.29%
F	\$5,241.42	11.00%	\$4,722	5.00%	\$4,497	5.00%	\$4,283	5.00%	\$4,079	5.29%
G	\$5,241.42	11.00%	\$4,722	5.00%	\$4,497	5.00%	\$4,283	5.00%	\$4,079	5.29%
V	\$5,241.42	11.00%	\$4,722	5.00%	\$4,497	5.00%	\$4,283	5.00%	\$4,079	5.29%
VD	\$6,640.02	11.00%	\$5,982	5.00%	\$5,697	5.01%	\$5,425	4.99%	\$5,167	5.30%
VM1	\$7,076.25	11.00%	\$6,375	6.30%	\$5,997	5.01%	\$5,711	0.00%	\$5,711	
VM2	\$7,301.58	11.00%	\$6,578	6.30%	\$6,188	5.01%	\$5,893	0.00%	\$5,893	
VM3	\$7,581.30	11.00%	\$6,830	6.30%	\$6,425	5.00%	\$6,119	0.00%	\$6,119	
VM4	\$7,750.02	11.00%	\$6,982	6.30%	\$6,568	5.00%	\$6,255	0.00%	\$6,255	
VM5	\$8,086.35	11.00%	\$7,285	6.30%	\$6,853	4.99%	\$6,527	0.00%	\$6,527	
VM6	\$8,423.79	11.00%	\$7,589	6.30%	\$7,139	5.00%	\$6,799	0.00%	\$6,799	
2ND Person	\$1,223.22	11.00%	\$1,102	4.95%	\$1,050	5.00%	\$1,000	5.04%	\$952	5.31%

Health Care Fee

Per Person	\$899.10	11.00%	\$810	5.06%	\$771	5.05%	\$734	5.00%	\$699	3.56%
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Combined Summary

Combined Fee, by Unit Fee plus HealthCare Fee

A	\$4,044.84	11.00%	\$3,644	5.01%	\$3,470	5.03%	\$3,304	4.99%	\$3,147	4.90%
AD	\$4,394.49	11.00%	\$3,959	5.01%	\$3,770	5.02%	\$3,590	5.00%	\$3,419	4.94%
B	\$4,917.30	11.00%	\$4,430	5.00%	\$4,219	5.03%	\$4,017	4.99%	\$3,826	4.97%
C	\$5,441.22	11.00%	\$4,902	5.01%	\$4,668	4.99%	\$4,446	5.01%	\$4,234	4.98%
D	\$5,790.87	11.00%	\$5,217	5.01%	\$4,968	5.01%	\$4,731	4.99%	\$4,506	5.01%
E	\$5,966.25	11.00%	\$5,375	5.02%	\$5,118	5.01%	\$4,874	5.00%	\$4,642	5.02%
F	\$6,140.52	11.00%	\$5,532	5.01%	\$5,268	5.00%	\$5,017	5.00%	\$4,778	5.03%
G	\$6,140.52	11.00%	\$5,532	5.01%	\$5,268	5.00%	\$5,017	5.00%	\$4,778	5.03%
V	\$6,140.52	11.00%	\$5,532	5.01%	\$5,268	5.00%	\$5,017	5.00%	\$4,778	5.03%
VD	\$7,539.12	11.00%	\$6,792	5.01%	\$6,468	5.02%	\$6,159	4.99%	\$5,866	5.09%
VM1	\$7,975.35	11.00%	\$7,185	6.16%	\$6,768	5.01%	\$6,445	0.55%	\$6,410	
VM2	\$8,200.68	11.00%	\$7,388	6.16%	\$6,959	5.01%	\$6,627	0.53%	\$6,592	
VM3	\$8,480.40	11.00%	\$7,640	6.17%	\$7,196	5.01%	\$6,853	0.51%	\$6,818	
VM4	\$8,649.12	11.00%	\$7,792	6.17%	\$7,339	5.01%	\$6,989	0.50%	\$6,954	
VM5	\$8,985.45	11.00%	\$8,095	6.18%	\$7,624	5.00%	\$7,261	0.48%	\$7,226	
VM6	\$9,322.89	11.00%	\$8,399	6.18%	\$7,910	5.01%	\$7,533	0.47%	\$7,498	
2ND Person	\$2,122.32	11.00%	\$1,912	5.00%	\$1,821	5.02%	\$1,734	5.02%	\$1,651	4.56%

For couples, add the unit fees amount plus 2nd person amount to get the total combined for the couple.

2024 Budget: RHC Financial Summary

Budget Summary and Comparison					
	FY2021	FY2022	FY2023	FY2023	FY2024
	Actual	Actual	Budget	Projected	Budget
Operating Revenue					
Total Apartment Revenue	16,546,050	18,145,872	19,917,838	20,481,968	21,532,024
Total Other Operating Revenue	7,426,331	8,663,785	5,923,600	4,760,883	6,259,300
Total Operating Revenue	23,972,381	26,809,657	25,841,438	25,242,852	27,791,324
Operating Expenses					
General & Administrative	6,484,676	7,781,248	8,828,455	8,707,108	10,819,104
Plant	4,088,419	4,631,829	4,785,430	5,187,183	5,432,587
Environmental Services	1,602,219	1,606,150	1,922,190	1,932,087	2,065,210
Food & Beverage	5,449,529	5,379,168	5,792,433	5,553,588	5,997,275
Resident Services	545,330	639,960	754,683	669,423	766,951
Assisted Living	-	-	-	124	-
Mgt Adjustment	2,600	1,151	(456,651)	(156,080)	(479,792)
Clinic	821,808	829,242	1,213,862	1,024,153	1,282,410
Extraordinary Events	143,028	155,403	53	9,105	-
Total Operating Expense	19,137,609	21,024,151	22,840,454	22,926,691	25,883,745
Net Operating Income	4,834,772	5,785,506	3,000,984	2,316,160	1,907,579

2024 vs	2024 vs
2023 Budg	2023 Proj
8%	5%
6%	31%
8%	10%

23%	24%
14%	5%
7%	7%
4%	8%
2%	15%
5%	207%
6%	25%
-100%	-100%
13%	13%

5%	207%
6%	25%
-100%	-100%
13%	13%

-36%	-18%
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2024 Budget: RSI Financial Summary

Budget Summary and Comparison				2024 vs	2024 vs
	FY2021	FY2022	FY2023	2023 Budg	2023 Proj
	Actual	Actual	Budget	Projected	Budget
Operating Revenue					
Total Apartment Revenue	12	30	-	-	-
Total Health Center Revenue	10,810,960	7,911,533	7,843,373	10,040,449	13,518,511
Total Assisted Living Revenue	2,975,803	2,895,285	4,258,352	3,901,810	5,338,793
Total Assisted Living - Dementia Revenue	1,466,337	1,522,652	2,426,960	2,221,279	3,210,969
Total Other Operating Revenue	450,831	524,676	121,200	287,910	181,200
Total Operating Revenue	15,703,942	12,854,176	14,649,885	16,451,449	22,249,473
Operating Expenses					
General & Administrative	3,075,394	3,214,045	3,773,397	3,703,138	4,548,374
Plant	1,487,672	1,699,973	1,882,970	1,918,856	2,134,711
Environmental Services	1,021,254	1,011,696	1,097,025	1,194,137	1,424,105
Food & Beverage	2,769,304	2,933,258	3,259,742	3,146,437	3,104,371
Resident Services	371,711	444,447	424,505	418,557	440,067
Assisted Living	1,968,080	2,010,250	2,519,894	2,272,338	2,201,762
Assisted Living - Dementia	630,086	1,127,559	1,901,862	1,628,435	1,674,598
Skilled Nursing	4,765,004	3,925,257	3,699,360	4,716,406	5,939,132
Home Health	5,221	-	-	-	-
Mgt Adjustment	-	-	(411,346)	(156,669)	(478,334)
Extraordinary Events	145,642	125,863	-	13,766	-
Total Operating Expense	16,239,369	16,492,349	18,147,409	18,855,401	20,988,785
Net Operating Income	(535,427)	(3,638,173)	(3,497,524)	(2,403,953)	1,260,687
				-136%	-152%

The Forum at Rancho San Antonio Cash Requirements: 2024 Budget and Forecast

<u>Short Term Test</u>	<u>2024</u>								
Expenses as budgeted	\$46,872,800								
Daily Expenses	\$128,419								
75 Days Required by DSS	\$9,631,397								
Annual Debt Service	\$2,392,594								
= Required Cash Reserve	<u>\$12,023,991</u>								
Estimated Cash	\$45,956,588								
Less Accrued Liabilities (excludes intercompany)	(\$1,500,000)								
= Projected Cash	<u>\$44,456,588</u>								
<u>Difference vs Cash Requirements</u>									
	<u>\$32,432,596</u>								
<u>Long Term Test</u>	<u>2024 Budg</u>	<u>2025 Fcst</u>	<u>2026 Fcst</u>	<u>2027 Fcst</u>	<u>2028 Fcst</u>	<u>2029 Fcst</u>			
Cash [A]	\$45,956,588	\$46,791,311	\$49,213,964	\$52,867,246	\$57,295,466	\$59,611,788			
Operating Expenses (excl Depreciation) [B]	\$46,872,800	\$49,745,684	\$52,708,906	\$54,692,732	\$56,470,547	\$58,595,971			
Operating Expense Per Day [B] / 365 = [C]	\$128,419	\$136,290	\$144,408	\$149,843	\$154,714	\$160,537			
Days Cash On Hand = [A] / [C]	358	343	341	353	370	371			