

FISCAL YEAR ENDED: 3/31/2025

ANNUAL REPORT CHECKLIST

PROVIDER(S): Odd Fellows Home of California

CCRC(S): Saratoga Retirement Community and
The Meadows of Napa Valley

CONTACT PERSON: Michelle Kilbane

TELEPHONE NO.: (541) 857-7447 **EMAIL:** mkilbane@retirement.org

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

- ☒ Annual Report Checklist
- ☒ Annual Provider Fee in the amount of: \$ 44,218.18
- ☐ If applicable, late fee in the amount of: \$ _____
- ☒ Certification by the provider's chief executive officer that:
- ☒ The reports are correct to the best of his/her knowledge.
- ☒ Each continuing care contract form in use or offered to new residents has been approved by the Department.
- ☒ The Provider is maintaining the required *liquid* reserves and, when applicable, the required refund reserve.
- ☒ Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.
- ☒ Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.
- ☒ Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon.
- ☒ 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.

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	248
[2]	Number at end of fiscal year	237
[3]	Total Lines 1 and 2	485
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x 0.50
[5]	Mean number of continuing care residents	242.5
All Residents		
[6]	Number at beginning of fiscal year	354
[7]	Number at end of fiscal year	364
[8]	Total Lines 5 and 6	718
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x 0.50
[10]	Mean number of all residents	359
[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).	0.68

**FORM 1-2
ANNUAL PROVIDER FEE**

Line	TOTAL
[1] Total Operating Expenses (including depreciation and debt service-interest only)	41,858,629
[a] Depreciation	5,103,323
[b] Debt Service (Interest Only)	
[2] Subtotal (add Line 1a and 1b)	5,103,323
[3] Subtract Line 2 from Line 1 and enter result.	36,755,306
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	0.68
[5] Total Operating Expense of Continuing Care Residents (multiply Line 3 by Line 4)	24,827,748
[6] Total Amount Due (multiply Line 5 by .001)	x 0.001 24,827.75

Provider: Odd Fellows Home of California
Community: Saratoga Retirement Community

**FORM 1-1
RESIDENT POPULATION**

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	233
[2]	Number at end of fiscal year	257
[3]	Total Lines 1 and 2	490
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x 0.50
[5]	Mean number of continuing care residents	245
All Residents		
[6]	Number at beginning of fiscal year	362
[7]	Number at end of fiscal year	378
[8]	Total Lines 5 and 6	740
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x 0.50
[10]	Mean number of all residents	370
[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).	0.66

**FORM 1-2
ANNUAL PROVIDER FEE**

Line	TOTAL
[1] Total Operating Expenses (including depreciation and debt service-interest only)	37,248,741
[a] Depreciation	7,965,237
[b] Debt Service (Interest Only)	
[2] Subtotal (add Line 1a and 1b)	7,965,237
[3] Subtract Line 2 from Line 1 and enter result.	29,283,504
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	0.66
[5] Total Operating Expense of Continuing Care Residents (multiply Line 3 by Line 4)	19,390,428
[6] Total Amount Due (multiply Line 5 by .001)	x 0.001 19,390.43

Provider: Odd Fellows Home of California
Community: Meadows of Napa Valley



July 25, 2025

Jennifer Houston
Department of Social Services
744 "P" Street, M. S. 9-14-91
Sacramento, CA 95814

Re: Annual Report of Odd Fellows Home of California, dba
Saratoga Retirement Community and
The Meadows of Napa Valley
Certification by Chairman of the Board

The annual report and any amendments thereto are correct to the best of my knowledge.

To the best of my knowledge every continuing care contract form in use or offered to new residents has been approved by the Department of Social Services.

As of July 25, 2025 Odd Fellows Home of California is maintaining the required liquid reserve and refund reserve.

Sincerely,

Ignacio Delgado
Chairman of the Board
Odd Fellows Home of California



Travelers Casualty and Surety Company of America
Hartford, Connecticut
 (A Stock Insurance Company, herein called the Company)

ITEM 1	<p>NAMED INSURED:</p> <p>Odd Fellows Home of California, Inc.</p> <p> </p> <p>D/B/A:</p> <p> </p> <p>Principal Address: 1 West Main ST, Suite 303 Attn: Kristi Scales MEDFORD, OR 97501</p>
ITEM 2	<p>POLICY PERIOD:</p> <p>Inception Date: October 1, 2024 Expiration Date: July 1, 2026 12:01 A.M. standard time both dates at the Principal Address stated in ITEM 1.</p>
ITEM 3	<p>ALL NOTICES OF CLAIM OR LOSS MUST BE SENT TO THE COMPANY BY EMAIL, FACSIMILE, OR MAIL AS SET FORTH BELOW:</p> <p>Email: <u>BSIclaims@travelers.com</u> Fax: 1-888-460-6622</p> <p>Mail: Travelers Bond & Specialty Insurance Claim P.O. Box 2989 Hartford, CT 06104-2989</p> <p>Overnight Mail: Travelers Bond & Specialty Insurance Claim One Tower Square, MN06 Hartford, CT 06183</p> <p>For questions related to claim reporting or handling, please call 1-800-842-8496.</p>
ITEM 4	<p>COVERAGE INCLUDED AS OF THE INCEPTION DATE IN ITEM 2:</p> <p>Crime</p>

ITEM 5	CRIME		
	Insuring Agreement	Single Loss Limit of Insurance	Single Loss Retention
	A. Fidelity 1. Employee Theft 2. ERISA Fidelity 3. Employee Theft of Client Property	\$1,000,000 \$500,000 \$1,000,000	\$10,000 \$0 \$25,000
	B. Forgery or Alteration	\$1,000,000	\$10,000
	C. On Premises	\$10,000	\$500
	D. In Transit	\$10,000	\$500
	E. Money Orders and Counterfeit Money	Not Covered	
	F. Computer Crime 1. Computer Fraud 2. Computer Program and Electronic Data Restoration Expense	\$1,000,000 \$100,000	\$10,000 \$10,000
	G. Funds Transfer Fraud	\$1,000,000	\$10,000
	H. Personal Accounts Protection 1. Personal Accounts Forgery or Alteration 2. Identity Fraud Expense Reimbursement	Not Covered Not Covered	
	I. Claim Expense	\$5,000	\$0

ITEM 5. (Cont'd)	<p>If “<i>Not Covered</i>” is inserted above opposite any specified Insuring Agreement, or if no amount is included in the Limit of Insurance, such Insuring Agreement and any other reference thereto is deemed to be deleted from this Crime Policy.</p> <p>Policy Aggregate Limit of Insurance: <input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable</p> <p>If a Policy Aggregate Limit of Insurance is applicable, then the Policy Aggregate Limit of Insurance for each Policy Period for Insuring Agreements A through H, inclusive, is: Not Applicable</p> <p>If a Policy Aggregate Limit of Insurance is not included, then this Crime Policy is not subject to a Policy Aggregate Limit of Insurance as set forth in Section V. CONDITIONS B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT 1. <u>Limit of Insurance</u> a. <u>Policy Aggregate Limit of Insurance</u>.</p> <p>Cancellation of Prior Insurance: By acceptance of this Crime Policy, the Insured gives the Company notice canceling prior policies or bonds issued by the Company that are designated by policy or bond numbers Not Applicable, such cancellation to be effective at the time this Crime Policy becomes effective.</p> <p>INSURED’S PREMISES COVERED:</p> <p>All Premises of the Insured in the United States of America, its territories and possessions, Canada, or any other country throughout the world, except:</p> <p>Not Applicable</p>
ITEM 6	<p>PREMIUM FOR THE POLICY PERIOD:</p> <p>\$6,595.00 Policy Premium</p> <p>N/A Annual Installment Premium</p>
ITEM 7	<p>FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE: ACF-7006-0511; CRI-3001-0109; CRI-7059-0109; CRI-19060-0713; CRI-19072-0315; CRI-19101-1117; CRI-19115-0519; CRI-19085-0919; CRI-19122-1120; CRI-19118-0719; CRI-7027-0109; CRI-5038-0613</p>

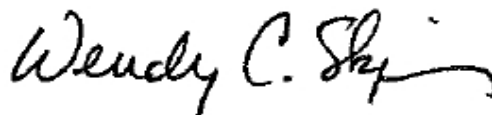
THE DECLARATIONS, THE APPLICATION, THE CRIME TERMS AND CONDITIONS, ANY PURCHASED INSURING AGREEMENTS, AND ANY ENDORSEMENTS ATTACHED THERETO, CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE COMPANY AND THE NAMED INSURED.

Countersigned By


IN WITNESS WHEREOF, the Company has caused this policy to be signed by its authorized officers.



President



Corporate Secretary



Report of Independent Auditors and
Financial Statements with
Supplementary Information

Odd Fellows Home of California

March 31, 2025 and 2024

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Report of Independent Auditors

The Board of Directors
Odd Fellows Home of California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Odd Fellows Home of California, which comprise the statements of financial position as of March 31, 2025 and 2024, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Odd Fellows Home of California as of March 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Odd Fellows Home of California 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.

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 Odd Fellows Home California's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Odd Fellows Home of California'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 Odd Fellows Home of California'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 audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Odd Fellows Home of California's basic financial statements. The supplementary schedules of statement of activities by location and the schedule of patient revenues are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules of statement of activities by location and schedule of patient revenues are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

San Francisco, California

July 28, 2025

Financial Statements

Odd Fellows Home of California
Statements of Financial Position
March 31, 2025 and 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 12,809,382	\$ 4,235,348
Investments	51,765,123	50,463,721
Accounts receivable, net	3,070,754	3,449,189
Supplies and other prepaid expenses	1,402,288	1,497,782
Due from Grand Lodge Endowment Fund	127,070	359,126
Current portion of assets restricted under bond indenture agreement	4,028,138	3,191,822
Total current assets	73,202,755	63,196,988
Property and equipment, net	177,746,065	177,395,442
Other assets		
Assets held in trust	2,858	2,852
Assets restricted under bond indenture agreement, net of current portion	1,495,457	7,832,233
Total other assets	1,498,315	7,835,085
Total assets	\$ 252,447,135	\$ 248,427,515
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 6,539,010	\$ 5,646,120
Accrued interest payable	1,512,800	1,543,175
Repayable deposits	1,447,011	427,954
Current portion of repayable entrance fees	3,489,750	3,988,943
Current portion of long-term debt	1,935,000	1,215,000
Due to/from PRS MI, net	1,300,663	1,371,612
Total current liabilities	16,224,234	14,192,804
Long-term debt, net of current portion	64,556,604	66,542,287
Repayable entrance fees, net of current portion	130,734,825	125,329,045
Deferred revenue from entrance fees	55,890,220	57,681,243
Total liabilities	267,405,883	263,745,379
Net assets (deficit)		
Without donor restrictions	(15,133,808)	(15,484,719)
With donor restrictions	175,060	166,855
Total net deficit	(14,958,748)	(15,317,864)
Total liabilities and net deficit	\$ 252,447,135	\$ 248,427,515

See accompanying notes.

Odd Fellows Home of California
Statements of Activities and Changes in Net Assets
Years Ended March 31, 2025 and 2024

	2025	2024
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues:		
Service fees	\$ 46,675,068	\$ 41,805,292
Health center revenues, net	23,770,752	22,404,608
Entrance fees earned	7,610,968	7,993,454
Contributions	1,581,026	1,913,680
Investment income, net	4,128,334	1,770,212
Unrealized change in value of investments	(436,818)	6,655,485
Other revenue	674,222	778,902
Total revenues	84,003,552	83,321,633
Net assets released - restricted purpose met	550,848	493,593
Total revenues, gains, and support	84,554,400	83,815,226
Expenses:		
Dietary services	13,627,395	13,793,037
Facility services and utilities	14,655,754	14,958,334
Health and social services	15,596,529	15,812,493
Recreation	296,856	462,431
Assisted living	6,415,172	6,166,883
Administrative and marketing	8,879,475	9,930,009
Interest	2,998,392	2,952,203
Depreciation	13,068,560	13,206,498
Fund disbursement	2,334,093	1,754,237
Management services	4,430,425	4,006,558
Total expenses	82,302,651	83,042,683
Operating income	2,251,749	772,543
Nonoperating gain (loss):		
Unrealized change in value of investments	(1,900,838)	(2,313,413)
Gain on extinguishment of debt	-	2,147,427
Total nonoperating loss	(1,900,838)	(165,986)
Change in net assets without donor restrictions	350,911	606,557
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	559,053	508,431
Net assets released - restricted purpose met	(550,848)	(493,593)
Change in net assets with donor restrictions	8,205	14,838
CHANGE IN NET ASSETS	359,116	621,395
Net deficit, beginning of year	(15,317,864)	(15,939,259)
Net deficit, end of year	\$ (14,958,748)	\$ (15,317,864)

See accompanying notes.

Odd Fellows Home of California
Statements of Cash Flows
Years Ended March 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 70,637,141	\$ 64,344,172
Advanced fees received	5,213,445	13,225,870
Other operating cash receipts	674,222	778,902
Cash paid to employees and suppliers	(64,317,134)	(72,703,942)
Interest and bond fees paid	(3,079,450)	(3,113,543)
Contributions received	2,140,079	11,728,110
Interest income	6	3
Net cash provided by operating activities	<u>11,268,309</u>	<u>14,259,572</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(13,401,263)	(8,539,894)
Proceeds from sale of property and equipment	-	3,605
Proceeds from sale of investments	196,890	4,659,316
Purchases of investments	-	(9,893,145)
Change in assets restricted under bond indenture agreement	197,931	5,717,963
Change in Due from Grand Lodge Endowment Fund	<u>232,056</u>	<u>(261,185)</u>
Net cash used in investing activities	<u>(12,774,386)</u>	<u>(8,313,340)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayable portion of entrance fees received	13,318,225	9,091,787
Refunds of repayable entrance fees	(7,618,023)	(12,998,238)
Principal payments on long-term debt	(1,215,000)	(68,778,212)
Proceeds from issuance of long-term debt	-	70,484,346
Bond issue and financing costs paid	<u>-</u>	<u>(2,690,552)</u>
Net cash provided by (used in) financing activities	<u>4,485,202</u>	<u>(4,890,869)</u>
Net increase in cash, cash equivalents, and restricted cash	2,979,125	1,055,363
Cash, cash equivalents, and restricted cash - beginning	<u>15,353,852</u>	<u>14,298,489</u>
Cash, cash equivalents, and restricted cash - ending	<u><u>\$ 18,332,977</u></u>	<u><u>\$ 15,353,852</u></u>
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents	\$ 12,809,382	\$ 4,235,348
Cash and cash equivalents in assets restricted - bond indenture	<u>5,523,595</u>	<u>11,118,504</u>
	<u><u>\$ 18,332,977</u></u>	<u><u>\$ 15,353,852</u></u>

See accompanying notes.

Odd Fellows Home of California
Statements of Cash Flows
Years Ended March 31, 2025 and 2024

	2025	2024
Reconciliation of change in net assets to net cash flows provided by operating activities		
Change in net assets	\$ 359,116	\$ 621,395
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation	13,068,560	13,206,498
Net amortization of bond premium, financing and issuance costs	(50,683)	(10,015)
Nonrepayable portion of entrance fees received from new residents	5,819,945	13,225,870
Entrance fee refunds on nonrepayable contracts	(606,500)	-
Entrance fees earned	(7,610,968)	(7,993,454)
Employee retention tax credit	-	9,305,999
Unrealized change in value of investments	2,337,656	(4,342,072)
Investment loss	(4,128,328)	(1,770,209)
Gain on extinguishment of debt	-	(2,147,427)
Net change in:		
Accounts receivable, net	191,319	134,272
Supplies and other prepaid expenses	95,494	(144,579)
Accounts payable and accrued expenses	874,971	(2,219,362)
Other liabilities	(6)	(6)
Accrued interest payable	(30,375)	(151,325)
Due to PRS MI, net	(70,949)	(3,325,926)
Repayable deposits	1,019,057	(130,087)
Net cash provided by operating activities	<u>\$ 11,268,309</u>	<u>\$ 14,259,572</u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 3,055,975</u>	<u>\$ 3,213,932</u>
 SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Property and equipment financed with accounts payable and accrued expenses	<u>\$ 921,481</u>	<u>\$ 903,562</u>

See accompanying notes.

Odd Fellows Home of California

Notes to Financial Statements

Note 1 – Organization

Organization and basis of presentation – The Odd Fellows Home of California (the Corporation) is a non-profit public benefit corporation organized under the California Non-Profit Public Benefit Corporation Law for charitable purposes. It was originally established by the Grand Lodge of California, Independent Order of Odd Fellows (Grand Lodge) in 1893 and has been operating in Saratoga since 1912. On July 31, 2002, the Corporation merged with the California Odd Fellows Home of Napa, Inc. (The Meadows), also a non-profit public benefit corporation, established by the Grand Lodge in 1992. The Meadows continues to operate as in the past, but its corporate structure has been joined with the Odd Fellows Home of California (the surviving corporation).

The Saratoga facility (dba Saratoga Retirement Community) is a life plan community, located in Saratoga, California, consisting of 143 independent living apartments, 85 assisted living apartments, a 94-bed skilled nursing facility, and 15 memory care beds.

The Napa facility (dba The Meadows of Napa Valley) is a life plan community, located in Napa, California, consisting of 227 independent living apartments, 41 assisted living apartments, a 60-bed skilled nursing facility, and 20 memory care beds.

Note 2 – Summary Of Significant Accounting Policies

Basis of presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Updated (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Represent resources available to support the Corporation's operations and donor restricted resources which have become available for use by the Corporation in accordance with the intention of the donor. Board designated net assets totaled \$9,947,507 and \$8,338,814 at March 31, 2025 and 2024, respectively.

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

Performance indicator – “Operating income,” as reflected in the accompanying statements of activities and changes in net assets is the performance indicator. Operating income includes all changes in net assets without donor restrictions and exclude unrealized change in value of investments related to debt securities and gain on extinguishment of debt.

Odd Fellows Home of California

Notes to Financial Statements

Use of estimates – The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues, expenses, gains, and losses during the reporting period. Significant items subject to such estimates and assumptions include the future services obligation and deferred revenue from entrance fees. Actual results could differ from those estimates.

Cash and cash equivalents – Cash and cash equivalents include cash, money market accounts, and other securities with maturities of three months or less at the date of acquisition that are not otherwise held by an investment advisor or restricted under bond indenture agreements.

Investments – Investments are stated at fair value based on quoted market prices. Investments acquired by gift are recorded at fair value on the date received. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is reported in the statements of activities and changes in net assets. Investment income is reported as an increase in net assets without donor restrictions, depending on donor-imposed restrictions on the use of the income. Gains or losses are calculated based on specific identification of the investments. Dividend, interest, and other investment income are recorded net of related custodial and advisory fees. The Corporation's policy is to recognize transfers in and out of Level 1 and Level 2 (see Note 14) as of the end of the reporting period.

Accounts receivable – Accounts receivable primarily represents amounts due from residents for living accommodations and services, amounts due from third parties, and interest receivable. The Corporation receives payment for health services from residents, insurance companies, Medicare, Medi-Cal, Health Maintenance Organizations (HMOs), and other third-party payors. As a result, the Corporation is exposed to certain credit risks. The Corporation manages its risk by regularly reviewing its accounts and by providing appropriate allowances for uncollectible accounts. An allowance for credit losses is established based on past collection history and specific identification of uncollectible amounts.

Accounts receivable are stated at amounts management expects to collect. If necessary, management provides for possible uncollectible amounts through a charge to bad debt and a credit to a credit loss allowance based on its assessment of the current status of individuals' balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the residents accounts receivable.

Resident and insurance collection efforts are documented according to policy and include receivables that have a contractual maturity of less than one year.

The accounts receivable balance as of April 1, 2023, was \$3,109,008.

Employee retention tax credit – In fiscal year 2023 the Corporation applied for an employee retention tax credit under the CARES Act with the IRS, which is recorded as a conditional contribution in accordance with ASC 958-605. We have evaluated the conditions required by the IRS to be eligible for the credit and believe we have fulfilled all those conditions as of March 31, 2023, and have recognized \$9,305,999 as contribution revenue during the year then ended and collected during the year ended March 31, 2024.

Supplies inventory – The accounting method used to record inventory is the first in first out (FIFO) method. Inventory is valued at the lower of cost or net realizable value as of March 31, 2025 and 2024.

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Notes to Financial Statements

Assets restricted under bond indenture agreements – The bond indenture agreements require that certain funds be invested and held with a Trustee in various required accounts. These required deposits and their related actual account balances are as follows:

	Investment Location	Invested Balance 2025	Invested Balance 2024
Bond project fund	Trustee	\$ -	\$ 6,397,916
Revenue fund	Trustee	4,028,138	3,191,822
Debt service reserve	Trustee	1,495,457	1,434,317
Total assets restricted under bond indenture agreement		<u>\$ 5,523,595</u>	<u>\$ 11,024,055</u>

Property and equipment – Purchased property and equipment are recorded at cost, or fair value when received, if donated. The cost basis includes any interest, finance charges, major replacements and improvements, and other related costs capitalized during construction. The Corporation capitalizes fixed assets with a cost of greater than \$2,500. Maintenance, repairs, and minor replacements are charged to expense when incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years. When assets are retired or otherwise disposed of, the cost of the asset and its related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in expense for the period.

The Corporation, using its best estimates based on reasonable and supportable assumptions and projections, reviews for impairment of long-lived assets when indicators of impairment are identified. The review addresses the estimated recoverability of the assets' carrying value, which is principally determined based on projected undiscounted cash flows generated by the underlying tangible assets. When the carrying value of an asset exceeds estimated recoverability, an asset impairment is recognized. No impairment losses were present for the years ended March 31, 2025 and 2024.

Repayable deposits – Repayable deposits contain application fees paid and deposits paid by residents who have selected a unit for move-in.

Each applicant for residency is required to pay a \$1,000 application fee deposit. This deposit will be repaid if the application is denied. If the application is approved, but subsequently withdrawn, the application fee will be repaid per the provisions of the application form. When a unit becomes available, a CCRC applicant is required to pay an entrance fee deposit, which varies in amount, prior to occupancy. This deposit is repayable prior to occupancy. For applicants who execute a rental agreement, the \$1,000 is nonrepayable after three months of residency.

Deferred revenue from entrance fees – Nonrepayable fees paid by a resident upon entering into a continuing care contract are recorded as deferred revenue. On March 31, 2025 and 2024, the Corporation had nonrepayable deferred entrance fees of \$55,890,222 and \$57,681,243, respectively.

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Notes to Financial Statements

Entrance fees repayable upon reoccupancy – The other contracts are 50%, 85%, 90%, or 95% repayable at the time of reoccupancy after termination of the contract. The nonrepayable portion is amortized to income over the estimated remaining actuarial life expectancy of the resident. Included in such balances are amounts expected to be repaid to residents as actuarially determined. The repayable portion of entrance fees as of March 31, 2025 and 2024, were \$134,224,575 and \$129,317,988, respectively, of which \$3,489,750 and \$3,988,943, respectively, is due to residents, at the time the apartment is re-occupied by another resident and is included in current portion of entrance fees repayable upon reoccupancy. Actual repayments of such entrance fees were \$7,618,023 and \$12,998,238 for the years ended March 31, 2025 and 2024, respectively.

Obligation to provide future services – The Corporation regularly analyzes the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and the use of facilities to be provided exceeds the balance of deferred revenue from entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. The obligation is discounted at 5.5% for 2025 and 2024, based on the expected long-term rate of return on government obligations. The Corporation evaluates this annually, and a liability was not deemed to exist at March 31, 2025 and 2024.

Professional and general liability – The Corporation has secured claims-made policies for general and professional liability insurance for the period January 1, 2025 to January 1, 2026, with self-insured retentions of \$75,000 per claim with limits of \$1,000,000 per claim and \$3,000,000 aggregate per policy period. The Corporation has also secured excess general and professional liability insurance with limits of \$10,000,000 per claim and \$10,000,000 aggregate per policy period. The Corporation has secured claims-made policies for general and professional liability insurance for the period January 1, 2024 to January 1, 2025, with self-insured retentions of \$50,000 per claim with limits of \$1,000,000 per claim and \$3,000,000 aggregate per policy period. The Corporation has also secured excess general and professional liability insurance with limits of \$10,000,000 per claim and \$10,000,000 aggregate per policy period.

Contributions – The Corporation reports unconditional contributions of cash and other assets at fair value at the date the contribution is made. Conditional contributions are reported at fair value at the date the conditions are substantially met. The gifts are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

Donor-restricted contributions and related gains and investment income are reported as increases in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

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Notes to Financial Statements

Revenue recognition

Service fees revenue

Service fees revenue is reported at the amount that reflects the consideration to which the Corporation expects to be entitled to in exchange for the services provided. Under the Corporation's continuing care agreements, the Corporation provides senior living services to residents for a stated monthly fee. The Corporation recognizes revenue for senior living services under the continuing care agreement for independent living, assisted living, and memory care services in accordance with the provisions of ASC 842, *Leases* (ASC 842).

Under the Corporation's senior living residency agreements, which are generally for a contractual term of 30 days to one year, the Company provides senior living services to residents for a stated daily or monthly fee. The Corporation has elected the lessor practical expedient within ASC 842 and recognizes, measures, presents, and discloses the revenue for services under the Corporation's senior living residency agreements based upon the predominant component, either the lease or nonlease component, of the contracts. The Corporation has determined that the services included under the Corporation's independent living, assisted living, and memory care residency agreements have the same timing and pattern of transfer and are performance obligations that are satisfied over time. The Corporation recognizes revenue under ASC 606, Revenue Recognition from Contracts with Customers (ASC 606) for its independent living, assisted living, and memory care residency agreements for which it has estimated that the nonlease components of such residency agreements are the predominant component of the contract.

Health center revenue

Health center revenue is reported at the amount that reflects the consideration to which the Corporation expects to be entitled to in exchange for providing care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive adjustments due to settlement of audits, reviews, and investigations. Generally, the Corporation bills patients and third-party payors at the beginning of each month and sends a final bill or reconciliation at the time of discharge. Revenue is recognized in the month in which the performance obligations are satisfied.

The Corporation determines the transaction price based on standard charges for goods and services provided, adjusted by contractual agreements with third parties. These agreements with third-party payors may provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

- Medicare: Skilled services are paid at prospectively determined rates per day based on Medicare-defined diagnostic assessments. Nonskilled services are paid based on cost reimbursement methodologies or established fee schedules.
- Secondary Insurance: Payment agreements with certain commercial insurance carriers, HMOs and preferred provider organizations provide for payment using prospectively determined rates per day, primary coverage rates, and co-pays and deductibles not covered under primary insurance.

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Notes to Financial Statements

Settlements with third-party payors for retroactive adjustments due to audits, review, or investigations are considered variable consideration and are included in the determination of estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor and correspondence from the payor, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known, or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in the transaction price were not significant in 2025 or 2024.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The initial estimate of the transaction price is determined by adjusting the standard charge by any contractual adjustments based on each insurance plan. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to health center 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 March 31, 2025 and 2024, was not significant.

The following table shows health center revenue by payor:

	Year Ended March 31, 2025	Year Ended March 31, 2024
Health center by payor		
Private pay	\$ 7,983,173	\$ 7,445,638
Medicare	8,148,649	7,876,623
Insurance	6,151,528	5,436,969
Medi-Cal	977,421	813,368
Other	509,981	832,010
	<u>\$ 23,770,752</u>	<u>\$ 22,404,608</u>

Approximately 38% and 39% of health center revenue for the years ended March 31, 2025 and 2024, respectively, were derived under federal and state third-party reimbursement programs.

Amortization of entrance fees

The Corporation receives an entrance fee upon execution of the continuing care agreement, as well as a monthly service fee. The continuing care agreement provides the resident occupancy of a specified unit and continued care within the Corporation. The continuing care agreement creates a performance obligation to be satisfied over the resident's remaining life at the Corporation. The Corporation recognizes the revenue associated with the nonrepayable portion of entrance fee using a straight-line method over the actuarially determined estimated life of each resident. Resident life expectancies are reevaluated annually and any changes in the revenue as a result of that revaluation will be recognized in the period noted. As of March 31, 2025 and 2024, the Corporation had \$55,890,220 and \$57,681,243 in unearned deferred revenue to be recognized as the performance obligations are satisfied. See Note 12 for changes in the unearned entrance fee revenue for the years ended March 31, 2025 and 2024. The performance obligation is satisfied upon termination of the continuing care agreement.

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Notes to Financial Statements

Charity care – The Corporation provides care without charge or at amounts less than its established rates to residents who meet certain criteria under its charity care policy. Because the Corporation does not normally pursue collection of amounts determined to qualify as benevolence, they are not reported as revenue.

Tax exempt status – The Corporation has been recognized by the Internal Revenue Service as a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related activities. No tax provision has been made in the accompanying statements of activities and changes in net assets.

The Corporation recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Corporation recognizes interest and penalties related to income tax matters in operating expenses.

Concentrations of credit risk – The Corporation's cash, cash equivalents, investments, and assets restricted under bond indenture agreement consist of various financial instruments. These financial instruments may subject the Corporation to concentrations of risk as, from time to time, cash and investment balances may exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC), the fair value of debt securities is dependent on the ability of the issuer to honor its contractual commitments, and the fair value of investments are subject to change. Management monitors the financial condition of these institutions on an ongoing basis and does not believe significant credit risk exists at this time.

Concentration of credit risk results from the Corporation granting credit without collateral to its residents and patients, most of whom are local residents and are insured under third-party payer agreements. The mix of receivables as of March 31, 2025 and 2024, from residents and third-party payors is listed in Note 4.

If any of the financial institutions with whom we do business were to be placed into receivership, we may be unable to access the cash and cash equivalents we have on deposit with such institutions. The Corporation has not experienced any losses in such accounts. The Corporation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fair value of financial instruments – The carrying values of cash, investments, accounts receivable, accounts payable and accrued expenses, repayable deposits, and due to/from PRS Management, Inc. (PRSMI) approximate fair value due to the short maturity of such instruments. The fair values of investments and assets restricted under bond indenture agreements are disclosed in Note 14.

Advertising – The Corporation expenses advertising costs as incurred. The Corporation incurred advertising costs of \$273,872 and \$646,363 for the years ended March 31, 2025 and 2024, respectively.

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Notes to Financial Statements

Note 3 – Investment Income

Income from investments, assets restricted under bond indenture agreements, and cash and cash equivalents are comprised of the following for the years ended March 31:

	2025	2024
Dividends and interest, net	\$ 1,402,672	\$ 1,341,645
Realized gains on investments	2,725,662	428,567
	<u>\$ 4,128,334</u>	<u>\$ 1,770,212</u>

Investment income is reported net of investment expenses of \$264,933 and \$217,934 for the years ended March 31, 2025 and 2024, respectively.

Note 4 – Accounts Receivable

Accounts receivable consists of the following at March 31:

	2025		2024	
Medicare	\$ 710,497	21%	\$ 693,070	20%
Medi-Cal	829,645	25%	890,046	25%
Insurance	394,265	12%	225,331	6%
Resident monthly fees	1,094,055	33%	717,417	20%
Entrance fees	4,900	0%	556,704	16%
Other	310,949	9%	460,671	13%
	<u>3,344,311</u>		<u>3,543,239</u>	
Subtotal accounts receivable	3,344,311		3,543,239	
Less allowance for credit losses	<u>(273,557)</u>		<u>(94,050)</u>	
Total accounts receivable, net	<u>\$ 3,070,754</u>		<u>\$ 3,449,189</u>	

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Notes to Financial Statements

Note 5 – Property and Equipment

Property and equipment consists of the following at March 31:

	2025	2024
Land	\$ 6,887,183	\$ 6,887,183
Buildings and land improvements	293,505,720	285,608,114
Furniture and equipment	26,187,722	25,222,155
Total property and equipment	<u>326,580,625</u>	<u>317,717,452</u>
Less accumulated depreciation	(160,917,272)	(148,085,588)
Construction in progress	<u>12,082,712</u>	<u>7,763,578</u>
Property and equipment, net	<u><u>\$ 177,746,065</u></u>	<u><u>\$ 177,395,442</u></u>

Note 6 – Unamortized Debt Issuance Costs

Debt issuance costs associated with the 2023 bond issuances are being amortized using an effective interest method over the terms of the bonds. Amortization expense amounted to \$101,117 and \$65,369 for the years ended March 31, 2025 and 2024, respectively.

The balance of unamortized debt issuance costs consists of the following:

	2025	2024
Costs related to bond issuances	\$ 1,391,616	\$ 1,391,616
Less accumulated amortization	<u>(166,486)</u>	<u>(65,369)</u>
Unamortized debt issuance costs	<u><u>\$ 1,225,130</u></u>	<u><u>\$ 1,326,247</u></u>

Note 7 – Deferred Financing Costs

In connection with the issuance of the \$98,550,000 Series 2012A bonds (see Note 8), the Office of Statewide Health Planning and Development of the State of California (Cal-Mortgage) was paid \$3,638,187 at the bond closing on October 1, 2012, for the cost of insuring the bonds over the 29 years and 5 months' term. This was written off when the 2012A bonds were redeemed and refinanced with the Series 2023 bonds. In connection with the issuance of the \$67,065,000 Series 2023 bonds (see Note 8), the Department of Health Care Access and Information was paid \$1,298,936 at the bond closing on August 8, 2023, for the cost of insuring the bonds over the 30 years and 2 months' term.

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Notes to Financial Statements

Amortization expense amounted to \$92,991 and \$118,169 for the years ended March 31, 2025 and 2024, respectively. The unamortized balance is as follows:

	2025	2024
Deferred financing costs	\$ 1,298,936	\$ 1,298,936
Less accumulated amortization	<u>(155,399)</u>	<u>(62,407)</u>
Unamortized deferred financing costs	<u><u>\$ 1,143,537</u></u>	<u><u>\$ 1,236,529</u></u>

Note 8 – Long-Term Debt

Long-term debt at March 31 consisted of the following:

	2025	2024
Insured Senior Living Revenue Bonds, Series 2023	\$ 65,850,000	\$ 67,065,000
Add: unamortized premium	3,010,271	3,255,063
Less: current portion	(1,935,000)	(1,215,000)
Less: unamortized debt issuance and deferred financing costs	<u>(2,368,667)</u>	<u>(2,562,776)</u>
Total long-term debt	<u><u>\$ 64,556,604</u></u>	<u><u>\$ 66,542,287</u></u>

Series 2023 Insured Senior Living Revenue Bonds – On August 8, 2023, California Statewide Communities Development Authority issued \$67,065,000 of Revenue and Refunding Bonds. The bonds bear interest at an average of 4.4%. The bonds were used to refinance prior debt, and finance among other things capital improvements. The bonds are subject to redemption, as scheduled, prior to final maturity in October 2053.

The Corporation has granted a security interest and lien on certain real property, improvements, and tangible personal property in connection with the debt described above. The security interest and lien are described in the Master Trust Indenture entered into with U.S. Bank National Association, as master trustee, and the associated deed of trust.

The Corporation is subject to financial covenants on long-term debt which include a debt service coverage ratio, current ratio, and minimum days of cash-on-hand requirement. Management believes the Corporation was in compliance with all provisions as of March 31, 2025 and 2024.

Bond interest expense on the Series 2023 Bonds was \$3,025,600 and \$2,760,846 for the years ended March 31, 2025 and 2024, respectively.

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Aggregate mandatory maturities of long-term debt, shown net of premiums, are as follows:

<u>Fiscal Year Ending March 31,</u>	<u>Total</u>
2026	\$ 1,935,000
2027	2,030,000
2028	2,135,000
2029	2,240,000
2030	2,350,000
Thereafter	<u>55,160,000</u>
Total	65,850,000
Add: unamortized premium	3,010,271
Less: unamortized debt issuance and deferred financing costs	<u>(2,368,667)</u>
	<u><u>\$ 66,491,604</u></u>

Note 9 – Management and Development Agreements

On August 1, 2017, the Corporation executed a management contract with PRSMI, which commenced on August 1, 2017 for 5 years, and was renewed for 3 years.

Management and accounting fees charged by PRSMI were as follows for the years ended March 31:

	<u>2025</u>	<u>2024</u>
Saratoga Retirement Community	\$ 2,459,556	\$ 2,325,459
The Meadows of Napa Valley	<u>1,970,869</u>	<u>1,681,099</u>
	<u><u>\$ 4,430,425</u></u>	<u><u>\$ 4,006,558</u></u>

In addition to management services, the Corporation pays for travel, marketing, and other services provided by PRSMI. The amount owed for management services and other expenses to PRSMI was \$1,300,663 and \$1,371,612 as of March 31, 2025 and 2024, respectively.

Note 10 – Related Party Transactions

The Corporation is under the control of the Grand Lodge, a non-profit corporation exempt under Internal Revenue Code section 501(c)(8) and California Revenue and Taxation Code Section 23701(b). Also affiliated with the Corporation is the Rebekah Assembly of California, a related non-profit corporation, which is exempt under the same code sections as the Grand Lodge.

The composition of the members of the Board of Directors of the Corporation is determined in the bylaws. Four directors, who are members of the order, and four directors, who may or may not be members of the order, but are from the professional sector (legal, accounting, medical, and financial) are elected by the Grand Lodge. Three directors, who are members of the order, are elected by the Rebekah Assembly. Two resident directors are appointed by the board: one from Saratoga Retirement Community and one from The Meadows of Napa Valley. In addition, the Grand Secretary and Grand Treasurer of the Grand Lodge are ex-officio members of the board with voting rights.

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Notes to Financial Statements

The Grand Lodge provides administrative services to the Corporation. During the years ended March 31, 2025 and 2024, a total of \$261,560 and \$259,340 was paid to the Grand Lodge, \$83,655 from The Meadows of Napa Valley and \$177,905 from Saratoga Retirement Community for the year ended March 31, 2025, and \$83,252 from The Meadows of Napa Valley and \$176,088 from Saratoga Retirement Community for the year ended March 31, 2024.

The Odd Fellows Home Endowment Fund of the Grand Lodge was created to help fund the operations of the Corporation. Investment income earned by the fund and passed through to the Corporation for the years ended March 31, 2025 and 2024, amounted to \$1,576,371 and \$1,101,128, respectively, which is included in contributions on the statement of activities and changes in net assets, of which \$127,070 was receivable by the Corporation at March 31, 2025 and \$359,126 was receivable by the Corporation at March 31, 2024.

Note 11 – Retirement Plan

The Corporation has a 403(b) retirement plan that provides matching funds for employees who have reached the age of 21 and have completed one year of service of at least 1,000 hours. Contributions to the plan are based on a match of the employee's own contribution (determined for each plan year at the Corporation's discretion), up to a maximum of 4% of plan compensation, evaluated each calendar year. Total contributions charged to expense for the plan were \$675,823 and \$610,029 for the years ended March 31, 2025 and 2024, respectively.

Note 12 – Deferred Revenue from Entrance Fees

	2025	2024
Balance, beginning of year	\$ 57,681,243	\$ 52,503,524
New fees received	5,819,945	13,225,870
Entrance fees repaid	(606,500)	-
Amortization of fees	(7,610,968)	(7,993,454)
Other changes in account payable and notes receivable	606,500	(54,697)
Balance, end of year	<u>\$ 55,890,220</u>	<u>\$ 57,681,243</u>

Note 13 – Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of March 31:

	2025	2024
Other Funds	\$ 90,755	\$ 82,550
Frank Manders Memorial Fund	71,718	71,718
Endowment Fund	12,587	12,587
	<u>\$ 175,060</u>	<u>\$ 166,855</u>

Contributions received in prior years of \$84,305 have been restricted by donors at the date of donation to allow only earnings to be used for general purposes.

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Notes to Financial Statements

Note 14 – Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. A fair value hierarchy is also established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position at March 31, 2025 and 2024, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Investments – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange traded equities, fixed income securities, mutual funds, and cash equivalents included in money market funds.

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Notes to Financial Statements

The following tables present the fair value hierarchy for those assets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31:

	2025			Total
	Level 1	Level 2	Level 3	
Assets				
Cash and cash equivalents	\$ 6,837,294	\$ -	\$ -	\$ 6,837,294
Real assets	169,336			169,336
Fixed income				
Long term bond	2,586,066	-	-	2,586,066
Intermediate term bond	5,674,331	-	-	5,674,331
Short term bond	1,387,944	-	-	1,387,944
Fixed income blend	316,473	-	-	316,473
Treasury/government securities	3,324,783	-	-	3,324,783
Equity securities				
Large cap value	5,221,825	-	-	5,221,825
Large cap growth	9,607,946	-	-	9,607,946
Small/mid cap growth	3,545,627	-	-	3,545,627
Small/mid cap value	4,768,644	-	-	4,768,644
International	8,248,251	-	-	8,248,251
Equities blend	931,727	-	-	931,727
Mutual funds	2,421,332	-	-	2,421,332
Investments measured at fair value	<u>\$ 55,041,579</u>	<u>\$ -</u>	<u>\$ -</u>	55,041,579
Investments measured at NAV:				
Hedge funds				<u>2,249,997</u>
Total assets				<u>\$ 57,291,576</u>

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	2024			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 12,230,699	\$ -	\$ -	\$ 12,230,699
Fixed income				
Long term bond	3,561,394	-	-	3,561,394
Intermediate term bond	4,571,790	-	-	4,571,790
Short term bond	2,218,085	-	-	2,218,085
Fixed income blend	2,154,729	-	-	2,154,729
Treasury/government securities	2,811,740	-	-	2,811,740
Equity securities				
Large cap value	5,755,263	-	-	5,755,263
Large cap growth	8,037,671	-	-	8,037,671
Small/mid cap growth	3,981,183	-	-	3,981,183
Small/mid cap value	4,092,493	-	-	4,092,493
International	7,686,741	-	-	7,686,741
Equities blend	851,649	-	-	851,649
Mutual funds	2,391,923	-	-	2,391,923
Investments measured at fair value	<u>\$ 60,345,360</u>	<u>\$ -</u>	<u>\$ -</u>	60,345,360
Investments measured at NAV:				
Hedge funds				<u>1,145,268</u>
Total assets				<u>\$ 61,490,628</u>

During 2025 and 2024, there were no transfers into and out of Level 3 of the fair value hierarchy. At March 31, 2025 and 2024, the timing of liquidation of the assets measured using net asset value (NAV) as a practical expedient and the date when restrictions from redemption might lapse are unknown.

The following table provides the fair value and redemption terms and restrictions for investments measured using NAV as a practical expedient at March 31:

Fund Type	2025 Fair Value	2024 Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Hedge funds (a)	\$ 2,249,997	\$ 1,145,268	\$ -	Daily, monthly, quarterly	Daily, 30 days, 60 days

(a) This category invests in investment funds. The investment objective is to preserve and grow capital. The Investment Manager assists the Fund by identifying high-quality investment managers with above-average investment histories and/or prospects (the Portfolio Managers), and allocating and reallocating the Fund's assets to discretionary investment accounts and/or private investment vehicles (the Investment Funds) managed by such Portfolio Managers. The Fund may invest in any type of Investment Fund within the investment policy statement. Generally, these Investment Funds may be liquidated and other Investment Funds may be added or liquidated at the discretion of the investment committee or board of directors. The fair values of investments in this category have been estimated using the NAV per share of investments.

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The Board of Directors, in conjunction with the external investment advisors and management, monitors and analyzes the valuation of the investments on a quarterly basis. The valuations consider variables such as financial performance of several publicly traded companies, recent sales prices of investments, and other pertinent information.

Short-term investments consist of the following at fair value at March 31:

	2025	2024
Cash and cash equivalents		
including amounts held for investment purposes	\$ 6,837,294	\$ 12,230,699
Equity, fixed income, mutual funds, and hedge fund investments	50,454,282	49,259,929
	<hr/>	<hr/>
Total	57,291,576	61,490,628
	<hr/>	<hr/>
Less assets restricted under bond indenture agreement	(5,523,595)	(11,024,055)
Less assets held in trust	(2,858)	(2,852)
	<hr/>	<hr/>
Total short-term investments	<u>\$ 51,765,123</u>	<u>\$ 50,463,721</u>

Note 15 – Commitments and Contingencies

Litigation – The Corporation is party to various claims and legal actions in the normal course of business. In the opinion of management, the Corporation has substantial meritorious defenses to pending or threatened litigation and, based upon current facts and circumstances, the resolution of these matters is not expected to have a material adverse effect on the financial position of the Corporation.

Health care reform – The Patient Protection and Affordable Care Act (PPACA) allowed for the expansion of Medicaid members in the State of California. Any further federal or state changes to funding could have an impact on the Corporation. With the changes in the executive branch, the future of PPACA and impact of future changes in Medicaid to the Corporation is uncertain at this time.

Note 16 – Statutory Reserves

The Corporation is certified as a CCRC by the State of California Department of Social Services. California Code Chapter 10, Article 6, Section 1792 requires CCRCs to establish liquid reserves (cash, marketable securities, etc.) equal to, or greater than, the annual principal and interest payments on long-term obligations plus 75 days of the CCRC's adjusted operating expenses. The Corporation's liquid reserves at March 31, 2025 and 2024, were sufficient to meet this requirement.

Odd Fellows Home of California

Notes to Financial Statements

Note 17 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of March 31, comprise the following:

	2025	2024
Cash and cash equivalents	\$ 12,809,382	\$ 4,235,348
Accounts receivable, net and due from Grand Lodge Endowment Fund	3,070,754	3,449,189
Investments	<u>51,765,123</u>	<u>50,463,721</u>
	<u>\$ 67,645,259</u>	<u>\$ 58,148,258</u>

As part of the Corporation's liquidity management plan, it invests cash in excess of its daily requirements in short-term investments, which can be sold and used for operations if necessary.

Note 18 – Functional Expenses

	Year Ended March 31, 2025		
	Program	Management	Total
Salaries and benefits	\$ 33,733,473	\$ 3,052,055	\$ 36,785,528
Supplies	6,326,760	117,833	6,444,593
Services	6,377,568	5,758,172	12,135,740
Depreciation	13,269,166	-	13,269,166
Interest and financing	2,998,392	-	2,998,392
Utilities	4,407,874	-	4,407,874
Other	<u>2,637,939</u>	<u>3,623,419</u>	<u>6,261,358</u>
	<u>\$ 69,751,172</u>	<u>\$ 12,551,479</u>	<u>\$ 82,302,651</u>

	Year Ended March 31, 2024		
	Program	Management	Total
Salaries and benefits	\$ 34,336,809	\$ 2,967,051	\$ 37,303,860
Supplies	6,077,055	278,016	6,355,071
Services	6,583,160	5,618,000	12,201,160
Depreciation	13,206,498	-	13,206,498
Interest and financing	2,952,203	-	2,952,203
Utilities	4,558,566	-	4,558,566
Other	<u>2,376,313</u>	<u>4,089,012</u>	<u>6,465,325</u>
	<u>\$ 70,090,604</u>	<u>\$ 12,952,079</u>	<u>\$ 83,042,683</u>

Odd Fellows Home of California

Notes to Financial Statements

The financial statements report certain expense categories that are attributable to more than one residential, health care, or support services function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation, amortization, interest, and other occupancy costs, are allocated based on the departmental applicability within each function.

Note 19 – Subsequent Events

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

The Corporation executed a three month extension of the management contract with PRSMI, now commencing November 1, 2025.

The Corporation has evaluated subsequent events through July 28, 2024, which is the date the financial statements are issued.

Supplementary Information

Odd Fellows Home of California
Statement of Activities by Location
Year Ended March 31, 2025

	Saratoga Retirement Community	The Meadows of Napa Valley	The Odd Fellows Home of California	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Revenues:				
Service fees	\$ 26,771,532	\$ 19,903,536	\$ -	\$ 46,675,068
Health center revenues, net	15,304,734	8,466,018	-	23,770,752
Entrance fees earned	4,782,056	2,828,912	-	7,610,968
Contributions	427,108	1,153,918	-	1,581,026
Investment income, net	-	-	4,128,334	4,128,334
Unrealized change in value of investments	-	-	(436,818)	(436,818)
Other revenue	247,849	426,373	-	674,222
Total revenues	47,533,279	32,778,757	3,691,516	84,003,552
Net assets released - restricted purpose met	257,018	293,830	-	550,848
Total revenues, gains, and support	47,790,297	33,072,587	3,691,516	84,554,400
Expenses:				
Dietary services	7,546,768	6,080,627	-	13,627,395
Facility services and utilities	7,960,497	6,695,257	-	14,655,754
Health and social services	9,407,362	6,189,167	-	15,596,529
Recreation	187,817	109,039	-	296,856
Assisted living	3,665,852	2,749,320	-	6,415,172
Administrative and marketing	4,848,048	4,031,427	-	8,879,475
Interest	-	-	2,998,392	2,998,392
Depreciation	5,103,323	7,965,237	-	13,068,560
Fund disbursement	679,406	1,457,798	196,889	2,334,093
Management services	2,459,556	1,970,869	-	4,430,425
Total expenses	41,858,629	37,248,741	3,195,281	82,302,651
Operating income (loss)	5,931,668	(4,176,154)	496,235	2,251,749
Nonoperating loss:				
Unrealized change in value of investments	-	-	(1,900,838)	(1,900,838)
Total nonoperating loss	-	-	(1,900,838)	(1,900,838)
Change in net assets without donor restrictions	5,931,668	(4,176,154)	(1,404,603)	350,911
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	247,000	312,053	-	559,053
Net assets released - restricted purpose met	(257,018)	(293,830)	-	(550,848)
Change in net assets with donor restrictions	(10,018)	18,223	-	8,205
CHANGES IN NET ASSETS (DEFICIT)	\$ 5,921,650	\$ (4,157,931)	\$ (1,404,603)	\$ 359,116

Odd Fellows Home of California
Statement of Activities by Location
Year Ended March 31, 2024

	Saratoga Retirement Community	The Meadows of Napa Valley	The Odd Fellows Home of California	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Revenues:				
Service fees	\$ 23,212,220	\$ 18,593,072	\$ -	\$ 41,805,292
Health center revenues, net	14,767,153	7,637,455	-	22,404,608
Entrance fees earned	5,185,116	2,808,338	-	7,993,454
Contributions	765,161	1,148,519	-	1,913,680
Investment income, net	-	-	1,770,212	1,770,212
Unrealized change in value of investments	-	-	6,655,485	6,655,485
Other revenue	350,183	428,719	-	778,902
Total revenues	44,279,833	30,616,103	8,425,697	83,321,633
Net assets released - restricted purpose met	207,500	286,093	-	493,593
Total revenues, gains, and support	44,487,333	30,902,196	8,425,697	83,815,226
Expenses:				
Dietary services	7,662,098	6,130,939	-	13,793,037
Facility services and utilities	8,022,881	6,935,453	-	14,958,334
Health and social services	9,829,008	5,983,485	-	15,812,493
Recreation	193,762	268,669	-	462,431
Assisted living	3,587,589	2,579,294	-	6,166,883
Administrative and marketing	4,719,140	5,210,869	-	9,930,009
Interest	-	-	2,952,203	2,952,203
Depreciation	5,133,072	8,073,426	-	13,206,498
Fund disbursement	514,994	1,079,927	159,316	1,754,237
Management services	2,325,459	1,681,099	-	4,006,558
Total expenses	41,988,003	37,943,161	3,111,519	83,042,683
Operating income (loss)	2,499,330	(7,040,965)	5,314,178	772,543
Nonoperating loss:				
Unrealized change in value of investments	-	-	(2,313,413)	(2,313,413)
Gain on extinguishment of debt	-	-	2,147,427	2,147,427
Total nonoperating loss	-	-	(165,986)	(165,986)
Change in net assets without donor restrictions	2,499,330	(7,040,965)	5,148,192	606,557
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	216,900	291,531	-	508,431
Net assets released - restricted purpose met	(207,500)	(286,093)	-	(493,593)
Change in net assets with donor restrictions	9,400	5,438	-	14,838
CHANGES IN NET ASSETS (DEFICIT)	\$ 2,508,730	\$ (7,035,527)	\$ 5,148,192	\$ 621,395

Odd Fellows Home of California

Schedule of Patient Revenues – Saratoga Retirement Community

Year Ended March 31, 2025

4.2

FACILITY REVENUE INFORMATION

Facility D.B.A. Name Saratoga Retirement Community

Report Period End FYE25 (4/1/24-3/31/25)

Line No.	GROSS REVENUE	Account Number	Medicare				Medi-Cal				Commercial Coverage			
			Fee for Service		Managed Care		Fee for Service		Managed Care		Fee for Service		Managed Care	
			(1) Inpatient .04	(2) Outpatient .44	(3) Inpatient .14	(4) Outpatient .54	(5) Inpatient .05	(6) Outpatient .45	(7) Inpatient .15	(8) Outpatient .55	(9) Inpatient .01	(10) Outpatient .41	(11) Inpatient .10	(12) Outpatient .50
	Routine Services:													
5	Skilled Nursing Care	3100	4,884,957.75		682,410.18		442,550.27		3,000,745.99		37,427.62		-	
10	Intermediate Care	3200												
15	Mentally Disordered Care	3300												
20	Developmentally Disabled Care	3400												
25	Sub-Acute Care	3500												
30	Sub-Acute Care - Pediatric	3520												
35	Transitional Inpatient Care	3560												
40	Hospice Inpatient Care	3600												
45	Other Routine Services	3900												
70	Subtotal (Lines 5 through 45)		4,884,957.75	-	682,410.18	-	442,550.27	-	3,000,745.99	-	37,427.62	-	-	-
	Ancillary Services:													
105	Patient Supplies	4100	43,799.57	-	7,199.95		4,764.23	-	38,433.81	-	262.54	-	-	-
110	Specialized Support Surfaces	4150					-	-	-	-	-	-	-	-
115	Physical Therapy	4200	364,631.71		70,006.48		-	-	-	-	2,652.67	-	-	-
120	Respiratory Therapy	4220	2,753.17		614.27		112.05	2,029.65	-	-	-	-	-	-
125	Occupational Therapy	4260	293,326.49		53,600.26		-	-	-	-	2,278.61	-	-	-
130	Speech Pathology	4280	63,494.63		7,625.26		-	-	-	-	2,564.15	-	-	-
135	Pharmacy	4300	323,114.14	-	42,298.10		3,993.88	-	30,881.22	-	1,748.45	-	-	-
140	Laboratory	4400	28,786.58	-	6,063.94	-	320.49	-	1,433.19	-	360.75	-	-	-
145	Home Health Services	4800		-		-		-		-		-		-
155	Other Ancillary Services	4900	59,313.98		7,263.10		6,678.81	-	67,196.75	-	6.35	-	-	-
170	Subtotal (Lines 105 through 155)		1,179,220.27	-	194,671.36	-	15,869.46	2,029.65	137,944.97	-	9,873.52	-	-	-
175	Total Gross Revenue (Line 70 + 170)		6,064,178.02	-	877,081.54	-	458,419.73	2,029.65	3,138,690.96	-	47,301.14	-	-	-

Line No.	DEDUCTIONS FROM REVENUE	Account Number	Medicare				Medi-Cal				Commercial Coverage			
			Fee for Service		Managed Care		Fee for Service		Managed Care		Fee for Service		Managed Care	
			(1) Inpatient .04	(2) Outpatient .44	(3) Inpatient .14	(4) Outpatient .54	(5) Inpatient .05	(6) Outpatient .45	(7) Inpatient .15	(8) Outpatient .55	(9) Inpatient .01	(10) Outpatient .41	(11) Inpatient .10	(12) Outpatient .50
205	Charity Adjustments	5100												
210	Administrative Adjustments	5200												
215	Contractual Adjustments - Medicare	5310	1,218,583.63		189,684.51									
220	Contractual Adjustments - Medi-Cal	5320					15,869.60		140,754.62					
222	Contractual Adjustments - Commercial Coverage	5330									9,081.62			
225	Contractual Adjustments - Other	5340												
230	Other Deductions from Revenue	5400												
240	Total Deductions from Revenue		1,218,583.63	-	189,684.51	-	15,869.60	-	140,754.62	-	9,081.62	-	-	-
250	Net Patient Revenue (line 175 - 240)		4,845,594.39	-	687,397.03	-	442,550.13	2,029.65	2,997,936.34	-	38,219.52	-	-	-

Odd Fellows Home of California
Schedule of Patient Revenues – Saratoga Retirement Community (Continued)
Year Ended March 31, 2025

Report Period End FYE25 (4/1/24-3/31/25)

Self-Pay		Other Payers		Total Gross Revenue			Line No.
(13) Inpatient .00	(14) Outpatient .40	(15) Inpatient .09	(16) Outpatient .49	(17) Inpatient (sum odd cols.)	(18) Outpatient (sum even cols.)	(19) Total (col. 17 + 18)	
					-	-	
5,727,400.00		469,015.55		15,244,507.36	-	15,244,507.36	5
				-	-	-	10
				-	-	-	15
				-	-	-	20
				-	-	-	25
				-	-	-	30
				-	-	-	35
				-	-	-	40
				-	-	-	45
5,727,400.00	-	469,015.55	-	15,244,507.36	-	15,244,507.36	70
				-	-	-	
47,140.06		1,676.64	-	143,276.80	-	143,276.80	105
		-	-	-	-	-	110
71,095.84		-	-	508,386.70	-	508,386.70	115
2,443.58		1,038.49	-	6,961.56	2,029.65	8,991.21	120
46,558.73		-	-	395,764.09	-	395,764.09	125
15,712.07		-	-	89,396.11	-	89,396.11	130
31,022.97		3,594.92	-	436,653.68	-	436,653.68	135
586.19		246.87	-	37,798.01	-	37,798.01	140
			-	-	-	-	145
54,817.93		8,184.06	-	203,460.98	-	203,460.98	155
269,377.37	-	14,740.98	-	1,821,697.93	2,029.65	1,823,727.58	170
5,996,777.37	-	483,756.53	-	17,066,205.29	2,029.65	17,068,234.94	175

Self-Pay		Other Payers		Total Deductions from Revenue			Line No.
(13) Inpatient .00	(14) Outpatient .40	(15) Inpatient .09	(16) Outpatient .49	(17) Inpatient (sum odd cols.)	(18) Outpatient (sum even cols.)	(19) Total (col. 17 + 18)	
				-	-	-	205
				-	-	-	210
				1,408,268.14	-	1,408,268.14	215
				156,624.22	-	156,624.22	220
				9,081.62	-	9,081.62	222
		13,524.63		13,524.63	-	13,524.63	225
176,002.66				176,002.66	-	176,002.66	230
176,002.66	-	13,524.63	-	1,763,501.27	-	1,763,501.27	240
5,820,774.71	-	470,231.90	-	15,302,704.02	2,029.65	15,304,733.67	250

Odd Fellows Home of California

Schedule of Patient Revenues – The Meadows of Napa Valley

Year Ended March 31, 2025

4.2

FACILITY REVENUE INFORMATION

Facility D.B.A. Name The Meadows of Napa Valley

Report Period End FYE25 (4/1/24-3/31/25)

Line No.	GROSS REVENUE	Account Number	Medicare				Medi-Cal				Commercial Coverage			
			Fee for Service		Managed Care		Fee for Service		Managed Care		Fee for Service		Managed Care	
			(1) Inpatient .04	(2) Outpatient .44	(3) Inpatient .14	(4) Outpatient .54	(5) Inpatient .05	(6) Outpatient .45	(7) Inpatient .15	(8) Outpatient .55	(9) Inpatient .01	(10) Outpatient .41	(11) Inpatient .10	(12) Outpatient .50
	Routine Services:													
5	Skilled Nursing Care	3100	3,231,193.00		639,109.70		539,887.38		1,757,708.02		9,458.19		-	
10	Intermediate Care	3200												
15	Mentally Disordered Care	3300												
20	Developmentally Disabled Care	3400												
25	Sub-Acute Care	3500												
30	Sub-Acute Care - Pediatric	3520												
35	Transitional Inpatient Care	3560												
40	Hospice Inpatient Care	3600												
45	Other Routine Services	3900												
70	Subtotal (Lines 5 through 45)		3,231,193.00	-	639,109.70	-	539,887.38	-	1,757,708.02	-	9,458.19	-	-	-
	Ancillary Services:													
105	Patient Supplies	4100	13,812.20		541.29		3,532.79		16,538.38		5,416.85	-	-	-
110	Specialized Support Surfaces	4150										-	-	-
115	Physical Therapy	4200	192,036.94	43,447.01	10,709.14	5,048.84	-	-	-	-	42,960.33	-	-	-
120	Respiratory Therapy	4220	2,612.07		210.06		353.92		782.57		259.88	-	-	-
125	Occupational Therapy	4250	314,236.48	51,099.58	24,309.44	1,738.17	-	-	-	-	64,737.23	-	-	-
130	Speech Pathology	4280	25,263.83	739.13	923.52	-					7,284.00	-	-	-
135	Pharmacy	4300	211,814.66		10,717.50		4,527.79		13,271.11		49,572.63	-	-	-
140	Laboratory	4400	25,035.54		1,006.04		275.09		2,002.39		6,345.85	-	-	-
145	Home Health Services	4800		-		-		-		-		-	-	-
155	Other Ancillary Services	4900	20,943.86		1,024.84		8,337.75		16,834.12		3,582.23	-	-	-
170	Subtotal (Lines 105 through 155)		805,755.58	95,285.72	49,441.83	6,787.01	17,027.34	-	49,428.57	-	180,159.00	-	-	-
175	Total Gross Revenue (Line 70 + 170)		4,036,948.58	95,285.72	688,551.53	6,787.01	556,914.72	-	1,807,136.59	-	189,617.19	-	-	-

Line No.	DEDUCTIONS FROM REVENUE	Account Number	Medicare				Medi-Cal				Commercial Coverage			
			Fee for Service		Managed Care		Fee for Service		Managed Care		Fee for Service		Managed Care	
			(1) Inpatient .04	(2) Outpatient .44	(3) Inpatient .14	(4) Outpatient .54	(5) Inpatient .05	(6) Outpatient .45	(7) Inpatient .15	(8) Outpatient .55	(9) Inpatient .01	(10) Outpatient .41	(11) Inpatient .10	(12) Outpatient .50
205	Charity Adjustments	5100												
210	Administrative Adjustments	5200												
215	Contractual Adjustments - Medicare	5310	806,439.25	27,644.54	38,378.20	2,891.77								
220	Contractual Adjustments - Medi-Cal	5320					17,139.64		49,621.57					
222	Contractual Adjustments - Commercial Coverage	5330									180,159.00			
225	Contractual Adjustments - Other	5340												
230	Other Deductions from Revenue	5400												
240	Total Deductions from Revenue		806,439.25	27,644.54	38,378.20	2,891.77	17,139.64	-	49,621.57	-	180,159.00	-	-	-
250	Net Patient Revenue (line 175 - 240)		3,230,509.33	67,641.18	650,173.33	3,895.24	539,775.08	-	1,757,515.02	-	9,458.19	-	-	-


Odd Fellows Home of California
Schedule of Patient Revenues – The Meadows of Napa Valley (Continued)
Year Ended March 31, 2025

Report Period End FYE25 (4/1/24-3/31/25)

Self-Pay		Other Payers		Total Gross Revenue			Line No.
(13) Inpatient .00	(14) Outpatient .40	(15) Inpatient .09	(16) Outpatient .49	(17) Inpatient (sum odd cols.)	(18) Outpatient (sum even cols.)	(19) Total (col. 17 + 18)	
					-	-	
1,906,756.00		268,088.67		8,352,200.96	-	8,352,200.96	5
				-	-	-	10
				-	-	-	15
				-	-	-	20
				-	-	-	25
				-	-	-	30
				-	-	-	35
				-	-	-	40
				-	-	-	45
1,906,756.00	-	268,088.67	-	8,352,200.96	-	8,352,200.96	70
7,531.97		4,482.63	-	51,856.11	-	51,856.11	105
			-	-	-	-	110
17,678.42	42,726.70		-	263,384.83	91,222.55	354,607.38	115
439.06			-	4,657.56	-	4,657.56	120
(4,245.00)	9,435.00		-	399,038.15	62,272.75	461,310.90	125
			-	33,471.35	739.13	34,210.48	130
12,042.57		1,251.59	-	303,197.85	-	303,197.85	135
42.70		-	-	34,707.61	-	34,707.61	140
			-	-	-	-	145
100,420.61		2,058.15	-	153,201.56	-	153,201.56	155
133,910.33	52,161.70	7,792.37	-	1,243,515.02	154,234.43	1,397,749.45	170
2,040,666.33	52,161.70	275,881.04	-	9,595,715.98	154,234.43	9,749,950.41	175

Self-Pay		Other Payers		Total Deductions from Revenue			Line No.
(13) Inpatient .00	(14) Outpatient .40	(15) Inpatient .09	(16) Outpatient .49	(17) Inpatient (sum odd cols.)	(18) Outpatient (sum even cols.)	(19) Total (col. 17 + 18)	
				-	-	-	205
				-	-	-	210
				844,817.45	30,536.31	875,353.76	215
				66,761.21	-	66,761.21	220
				180,159.00	-	180,159.00	222
		7,792.37		7,792.37	-	7,792.37	225
153,866.05				153,866.05	-	153,866.05	230
153,866.05	-	7,792.37	-	1,253,396.08	30,536.31	1,283,932.39	240
1,886,800.28	52,161.70	268,088.67	-	8,342,319.90	123,698.12	8,466,018.02	250

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

Odd Fellows Home of California

As of and for the Year Ended March 31, 2025

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Report of Independent Auditors

The Board of Directors
Odd Fellows Home of California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Odd Fellows Home of California, which comprise the continuing care liquid reserve schedules, Form 5-1 through 5-5, as of and for the year ended March 31, 2025, and the related notes to reserve reports.

In our opinion, the accompanying financial statements present fairly, in all material respects, the continuing care reserve of Odd Fellows Home of California as of and for the year ended March 31, 2025, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Odd Fellows Home of California, 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 the liquid reserve requirements of California Health and Safety Code Section 1792, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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.

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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 Odd Fellows Home of California'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 Odd Fellows Home of California'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 Odd Fellows Home of California 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 schedules of Attachment I to Form 5-5: Schedule of Qualifying Assets – Operating Reserve Schedule, Attachment I to Form 5-1, 5-2, and 5-4: Reconciliation of Interest Expense to Interest Paid, and Attachment II to Form 5-4: Reconciliation of Depreciation for the year ended March 31, 2025, presented as supplementary information, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 members of the Board of Directors and management of Odd Fellows Home of California, and the California Department of Social Services and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly US, LLP

San Francisco, California

July 28, 2025

Odd Fellows Home of California
Form 5-1
Long-Term Debt Incurred in a Prior Fiscal Year (Including Balloon Debt)
For the Year Ended March 31, 2025

FORM 5-1
LONG-TERM DEBT INCURRED
IN A PRIOR FISCAL YEAR
(Including Balloon Debt)

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Interest Paid During Fiscal Year	(d) Credit Enhancement Premiums Paid in Fiscal Year	(e) Total Paid (columns (b) + (c) + (d))
1	8/8/2023	\$ 1,215,000	\$ 3,055,975	-	\$ 4,270,975
2					
3					
TOTAL			\$ 3,055,975	-	\$ 4,270,975

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

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

Provider: Odd Fellows Home of California

Odd Fellows Home of California
Form 5-2
Long-Term Debt Incurred During Fiscal Year (Including Balloon Debt)
For the Year Ended March 31, 2025

FORM 5-2
LONG-TERM DEBT INCURRED
DURING FISCAL YEAR
(Including Balloon Debt)

Long-Term Debt Obligation	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1				1	
2					
3					
4					
5					
6					
7					
8					
			\$ -		\$ -

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

Note: For column (b), do not include voluntary payments made to paydown principal.

Provider: Odd Fellows Home of California

Odd Fellows Home of California
Form 5-3
Calculation of Long-Term Debt Reserve Amount
For the Year Ended March 31, 2025

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

LINE		TOTAL
1	Total from Form 5-1 bottom of column (e)	<u>\$ 4,270,975</u>
2	Total from Form 5-2 bottom of column (e)	<u>-</u>
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	<u>-</u>
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE	<u><u>\$ 4,270,975</u></u>

Odd Fellows Home of California
Form 5-4
Calculation of Net Operating Expenses – Saratoga Retirement Community
For the Year Ended March 31, 2025

	Amounts	TOTAL
1 Total operating expenses from financial statements		\$ 41,858,629
2 Deductions		
a Interest paid on long-term debt (see instructions)	-	
b Credit enhancement premiums paid for long-term debt (see instructions)	-	
c Depreciation	5,103,323	
d Amortization	-	
e Revenues received during the fiscal year for services to persons who did not have continuing care contract	-	
f Extraordinary expenses approved by the Department	-	
3 Total Deductions		5,103,323
4 Net Operating Expenses		36,755,306
5 Divide Line 4 by 365 and enter the result		100,699
6 Multiply Line 5 by 75 and enter the result		\$ 7,552,425
This is the provider's operating expense reserve amount for this community		

PROVIDER: Odd Fellows Home of California
COMMUNITY: Saratoga Retirement Community

Odd Fellows Home of California
Form 5-4
Calculation of Net Operating Expenses – Meadows of Napa Valley
For the Year Ended March 31, 2025

	Amounts	TOTAL
1 Total operating expenses from financial statements		\$ 37,248,741
2 Deductions		
a Interest paid on long-term debt (see instructions)	-	
b Credit enhancement premiums paid for long-term debt (see instructions)	-	
c Depreciation	7,965,237	
d Amortization	-	
e Revenues received during the fiscal year for services to persons who did not have continuing care contract	-	
f Extraordinary expenses approved by the Department	-	
3 Total Deductions		7,965,237
4 Net Operating Expenses		29,283,504
5 Divide Line 4 by 365 and enter the result		80,229
6 Multiply Line 5 by 75 and enter the result		\$ 6,017,175
This is the provider's operating expense reserve amount for this community		

PROVIDER: Odd Fellows Home of California
COMMUNITY: Meadows of Napa Valley

Odd Fellows Home of California
Form 5-5
Annual Reserve Certification

FORM 5-5
ANNUAL RESERVE CERTIFICATION

Provider Name: Odd Fellows Home of California
Fiscal Year Ended: March 31, 2025

We have reviewed our debt service reserve and operating expense reserve requirements as of and for the period ended March 31, 2025, and are in compliance with those requirements.

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

	Amount
[1] Debt Service Reserve Amount	\$ 4,270,975
[2] Operating Expense Reserve Amount	13,569,600
[3] Total Liquid Reserve Amount:	<u>\$ 17,840,575</u>

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

Qualifying Asset Description Description	Amount (market value at end of quarter)	
	Debt Service Reserve	Operating Reserve
[4] Cash and Cash Equivalents	\$ -	\$ 14,266,741
[5] Investment Securities	\$ -	\$ 15,058,496
[6] Equity Securities	\$ -	\$ 35,249,268
[7] Unused/Available Lines of Credit	\$ -	\$ -
[8] Unused/Available Letters of Credit	\$ -	\$ -
[9] Debt Service Reserve	\$ 1,495,457	\$ -
[10] Other: bond trust accounts	\$ 4,028,138	\$ -

(describe qualify asset)

Total Amount of Qualifying Assets
Listed for Reserve Obligation:

[11] \$ 5,523,595 [12] \$ 64,574,505

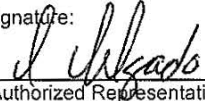
Reserve Obligation Amount:

[13] \$ 4,270,975 [14] \$ 13,569,600

Surplus/(Deficiency):

[15] \$ 1,252,620 [16] \$ 51,004,905

Signature:


(Authorized Representative)

Chairman
(Title)

Odd Fellows Home of California
Notes to Reserve Reports
As of and for the Year Ended March 31, 2025

Note 1 – Basis of Accounting

The accompanying reserve reports have been prepared in accordance with the provisions of 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 Odd Fellows Home of California's assets, liabilities, revenues, and expenses.

Supplementary Information

Odd Fellows Home of California
Attachment I to Form 5-5
Schedule of Qualifying Assets – Operating Reserve Schedule
March 31, 2025

Operating Reserve Supporting Schedule

Cash and Cash Equivalents (operating)	\$	12,809,382	[4]
Cash and Cash Equivalents		1,457,359	[4]
Fixed Income		13,670,651	[5]
Equities		35,249,268	[6]
Hedge Funds		1,387,845	[5]
Total	\$	64,574,505	
Per Financial Statements:			
Cash and Cash Equivalents	\$	12,809,382	
Investments		51,765,123	
Total Cash and Investments	\$	64,574,505	
Current Portion of Assets Restricted Under Bond Indenture Agreement	\$	4,028,138	[10]
Assets Restricted Under Bond Indenture Agreement, Net of Current Portion		1,495,457	[9]
Total Restricted Bond Funds	\$	5,523,595	
Form 5-5:			
sum of [4] Cash and Cash Equivalents	\$	14,266,741	
sum of [5] Investment Securities		15,058,496	
sum of [6] Equity Securities		35,249,268	
[12]	\$	64,574,505	
sum of [9] Debt Service Reserve	\$	1,495,457	
sum of [10] Other		4,028,138	
[11]	\$	5,523,595	

Odd Fellows Home of California
Attachment I to Form 5-1, 5-2, and 5-4
Reconciliation of Interest Expense to Interest Paid
March 31, 2025

Interest

Total interest paid per audited financials	\$ 3,055,975
Less: 3/31/2024 accrued interest	(1,543,175)
Add: 3/31/2025 accrued interest	<u>1,512,800</u>
Interest expense	<u>3,025,600</u>
Add: bond fees	22,127
Add: bond legal fees	(50,683)
Add: bond legal fees	<u>1,348</u>
Total interest expense per audited financials	<u><u>\$ 2,998,392</u></u>

Odd Fellows Home of California
Attachment II to Form 5-4
Reconciliation of Depreciation
For the Year Ended March 31, 2025

Depreciation

Meadows of Napa Valley depreciation	\$ 7,965,237
Saratoga Retirement Community depreciation	<u>5,103,323</u>
Total depreciation per audited financials	<u><u>\$ 13,068,560</u></u>

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Odd Fellows Home of California
Attachment to Annual Continuing Care Liquid Reserve Schedule
For the fiscal year ended March 31, 2025

Per Capita Cost of Operations

	Saratoga	Napa
Operating Expenses (Form 5-4 line # 1)	41,858,629	37,248,741
Mean # of CCRC Residents (Form 1-1 line 10)	359	370
Per Capita Cost of Operations	116,598	100,672

**CONTINUING CARE RETIREMENT COMMUNITY
DISCLOSURE STATEMENT
GENERAL INFORMATION**

Date Prepared: 07/22/25

FACILITY NAME: <u>Saratoga Retirement Community</u>		ZIP CODE: <u>95070</u>	PHONE: <u>(408) 741-7100</u>
ADDRESS: <u>14500 Fruitvale Ave., Saratoga, CA</u>		FACILITY OPERATOR: <u>PRS Management, Inc</u>	
PROVIDER NAME: <u>Odd Fellows Home of California (OFHC)</u>		RELIGIOUS AFFILIATION: _____	
RELATED FACILITIES: <u>The Meadows of Napa Valley</u>		MILES TO SHOPPING CTR: <u>2</u>	
YEAR OPENED: <u>2004</u>	NO. OF ACRES: <u>37</u>	<input type="checkbox"/> SINGLE STORY	<input type="checkbox"/> MULTI-STORY
		<input checked="" type="checkbox"/> OTHER: <u>both</u> MILES TO HOSPITAL: <u>4</u>	

NUMBER OF UNITS:

RESIDENTIAL LIVING

HEALTH CARE

APARTMENTS -STUDIO	<u>0</u>
APARTMENTS -1 BDRM	<u>24</u>
APARTMENTS - 2 BDRM	<u>80</u>
COTTAGES/HOUSES	<u>39</u>
% OCCUPANCY AT YEAR END	<u>96.50%</u>

ASSISTED LIVING	<u>85</u>
SKILLED NURSING	<u>94</u>
SPECIAL CARE	<u>15</u>
DESCRIBE SPECIAL CARE:	<u>Memory/cognitive loss</u>

TYPE OF OWNERSHIP: ☒ NOT FOR PROFIT ☐ FOR PROFIT ACCREDITED: ☐ Y ☒ N BY: _____

FORM OF CONTRACT: ☒ CONTINUING CARE ☐ LIFE CARE ☒ ENTRANCE FEE ☒ FEE FOR SERVICE
☐ ASSIGNMENT OF ASSETS ☐ EQUITY ☒ MEMBERSHIP ☒ RENTAL

REFUND PROVISIONS (Check all that apply): ☐ Refundable ☒ Repayable ☐ 90% ☐ 75% ☐ 50% ☒ OTHER: Prorated to 0% over 3 years 80% repayable

RANGE OF ENTRANCE FEES: \$ 422,500 TO \$2,080,100 LONG -TERM CARE INSURANCE REQUIRED? ☐ Y ☒ N

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: Free SNF stays for temporary needs

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

RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD:
 (briefly describe provider's compliance and residents' roles) Saratoga Retirement Community's resident representative attends bimonthly OFHC Board Meetings and participates as a nonvoting representative of the Resident Association to the Board of Directors.
There is also a resident of the community that is a full voting member of the Odd Fellows Home of California board.

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES

SERVICES AVAILABLE

	AVAILABLE	FEE FOR SERVICE		INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING (<u>2</u> TIMES/MONTH)	<input checked="" type="checkbox"/>	
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS (<u>1</u> /DAY)	<input checked="" type="checkbox"/>	
BOWLING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>
CRAFT ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>
PUTTING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input type="checkbox"/>	<input type="checkbox"/>
SPA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-INDOOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input 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 _____	<input type="checkbox"/>	<input type="checkbox"/>
OTHER <u>Computer Lab</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
On-site Physical Therapist	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			

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

PROVIDER NAME: Odd Fellows Home of California

CCRCs	LOCATION (City, State)	PHONE (with area code)
Saratoga Retirement Community	Saratoga, CA	(408) 741- 7100 or (800) 996-3467
The Meadows of Napa Valley	Napa, CA	(707) 257-7885
MULTI-LEVEL RETIREMENT COMMUNITIES		
FREE-STANDING SKILLED NURSING		
SUBSIDIZED SENIOR HOUSING		

***PLEASE INDICATE IF THE FACILITY IS LIFE CARE.**

ODD FELLOWS HOME OF CALIFORNIA
FINANCIAL DISCLOSURE STATEMENT

PROVIDER NAME: ODD FELLOWS HOME OF CALIFORNIA

	2022	2023	2024	2025
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME				
(excluding amortization of entrance fee income)	59,415,277	56,288,895	66,759,014	75,248,376
LESS OPERATING EXPENSES				
(excluding depreciation, amortization, & interest)	57,540,074	62,135,414	67,017,209	66,286,382
NET INCOME FROM OPERATIONS	<u>1,875,203</u>	<u>(5,846,519)</u>	<u>(258,195)</u>	<u>8,961,994</u>
LESS INTEREST EXPENSE	<u>3,621,630</u>	<u>3,399,979</u>	<u>3,062,607</u>	<u>3,025,600</u>
PLUS CONTRIBUTIONS	<u>830,554</u>	<u>12,344,517</u>	<u>2,422,111</u>	<u>2,140,079</u>
PLUS NON-OPERATING INCOME (EXPENSES)				
(excluding extraordinary items)	-	-	-	-
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	<u>(915,873)</u>	<u>3,098,019</u>	<u>(898,691)</u>	<u>8,076,473</u>
NET CASH FLOW FROM ENTRANCE FEES				
(Total Deposits Less Refunds)	<u>15,774,956</u>	<u>10,137,939</u>	<u>9,319,419</u>	<u>10,913,647</u>

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

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
Insured Senior Living Revenue Bonds, 2023 Series A	65,850,000	4% - 5%	8/8/2023	4/1/2053	29 YR 8 MO

FINANCIAL RATIOS (see next page for ratio formulas)

	2023	2024	2025
DEBT TO ASSET RATIO	0.25	0.27	0.25
OPERATING RATIO	1.16	1.05	0.92
DEBT SERVICE COVERAGE RATIO	2.44	2.49	4.61
DAYS CASH-ON-HAND RATIO	262	285	340

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	2022	%	2023	%	2024	%	2025	%
STUDIO	\$ 4,894.00	5.0%	\$ 5,138.00	5.0%	\$ 5,544.00	7.9%	\$ 6,028.00	8.7%
ONE BEDROOM	\$ 7,474.00	5.0%	\$ 7,847.00	5.0%	\$ 8,466.00	7.9%	\$ 9,207.00	8.8%
TWO BEDROOM	\$ 8,686.00	5.0%	\$ 9,120.00	5.0%	\$ 9,840.00	7.9%	\$ 10,700.00	8.7%
COTTAGE/HOUSE	\$ 7,696.00	5.8%	\$ 8,080.00	5.0%	\$ 8,718.00	7.9%	\$ 9,480.00	8.7%
ASSISTED LIVING	\$ 14,691.00	5.7%	\$ 15,482.00	5.4%	\$ 16,851.00	8.8%	\$ 18,098.00	7.4%
SKILLED NURSING	\$ 9,879.00	5.8%	\$ 10,372.00	5.0%	\$ 11,191.00	7.9%	\$ 11,918.00	6.5%
SPECIAL CARE								

COMMENTS FROM PROVIDER:

PROVIDER NAME: Odd Fellows Home of California

FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

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

OPERATING RATIO

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

DEBT SERVICE COVERAGE RATIO

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

DAYS CASH ON HAND RATIO

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

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>INDEPENDENT LIVING</u>	<u>ASSISTED LIVING</u>	<u>SKILLED NURSING</u>
[1] Monthly Service Fees at beginning of reporting period:	<u>\$4,895 - \$11,936</u>	<u>\$6,361 - \$12,574</u>	<u>\$13,931 - \$23,390</u>
[2] Indicate percentage of increase in fees imposed during reporting period:	<u>8.75%</u>	<u>8.75%</u>	<u>7.50%</u>
[] Check here if monthly service fees at this community were not increased during the reporting period.			
[3] Indicate the date the fee increase was implemented:	<u>April 1, 2024</u>		
[4] Check each of the appropriate boxes:			
<input checked="" type="checkbox"/> Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.			
<input checked="" type="checkbox"/> All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. Date of Notice: <u>1/10/2024</u> Method of Notice: <u>Email letter to residents</u>			
<input checked="" type="checkbox"/> At least 30 days prior to the increase in fees, the designated representative of the provider convened a meeting that all residents were invited to attend. Date of Meeting: <u>1/24/2024</u>			
<input checked="" type="checkbox"/> At the meeting with residents, the provider discussed and explained the reasons for the increase the basis for determining the amount of the increase, and the data used for calculating the increase.			
<input checked="" type="checkbox"/> The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases. Date of Notice: <u>1/10/2024</u>			
<input checked="" type="checkbox"/> 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: <u>1/10/2024</u> Location of Posting: <u>Resident intranet/Bulletin Boards</u>			
[5] On an attached page, provide a concise explanation for the increase in monthly care fees including the amount of the increase and compliance with the applicable Health and Safety Code sections. See <u>PART 7 REPORT ON CCRC MONTHLY CARE FEE</u> in the Annual Report Instruction booklet for further instructions.			

PROVIDER NAME: The Odd Fellows Home of California
COMMUNITY NAME: Saratoga Retirement Community

FORM 7-1

Provider Name: Odd Fellows Home of California

FORM 7-1 MONTHLY CARE FEE INCREASE (MCFI)
2025

dollar amounts in thousands

Line	Fiscal Years	2023	2024	2025
1	F/Y 2023 Operating Expenses	(38,871)		
2	F/Y 2024 Operating Expenses (Adjustment if any, explained below)		(39,972)	
3	Projected F/Y 2025 Results of operations (adjustments explained below)			(41,136)
4	F/Y 2025 Anticipated MCF Revenue based on current and projected occupancy and other without a MCFI			41,715
5	Projected F/Y 2025 (Net) operating results without a MCFI (Line 3 plus Line 4)			579
6	Projected F/Y 2025 Anticipated revenue based on current and projected occupancy and other with MCFI 8.75%			44,108
7	Grand Total - Projected F/Y 2025 Net Operating Activity after 8.75% MCFI (Line 3 plus Line 6)			2,972

Monthly Care Fee Increase: 8.75%

Adjustments Explained:

The purpose of The Saratoga Retirement Community's annual budgeting and rate setting process is to establish a financial plan that is sufficient to meet the needs of its residents, attracting and retaining qualified staff, and to support the mission of the organization.

Monthly service fees were increased in 2024 by 8.75% for Independent Living and Assisted Living, 6.5% for Memory Care, and 7.5% for Skilled Nursing. The rate increase was derived from a process that considers the increased cost of providing services and reasonable operating margins necessary to ensure the continuation of the organizational mission. Anticipated cost increases included higher labor costs and normal inflationary cost increases related to purchases of supplies and services.

Total revenues are budgeted to increase by 5.7% or \$2,363K in fiscal year ended 3/31/25 to \$44.1M. Change in revenues is a result of changes in projected census, non-service fee revenue, and monthly service fee rate increases. Independent Living revenues are projected to increase \$1,240K from prior budget due to improved census numbers, Assisted Living revenues are projected to increase \$142K, Memory Care revenues are projected to increase \$135K, and Skilled Nursing revenues are projected to increase \$333K.

Expenses are expected to increase by 8.2% or \$3.1M in fiscal year ending 3/30/25 to \$41.1M driven primarily from inflation.

The positive result of operations is the result of the community reinvesting in the physical plant, thereby ensuring quality facilities for existing residents and continued marketability for prospective residents. Excluding non-cash items such as depreciation, operations produces a positive cash flow of \$7.8M.

The projected positive cash flow from operations allows the community to reinvest in the physical plant, thereby maintaining the quality of the facility for current residents and ensuring the continued marketability of the community to prospective residents and service debt costs. Additionally, positive net operating income ensures that the community will be able to fund unexpected costs or capital needs, and continue its mission to enhance quality of life, preserve dignity, meet health, social and emotional needs of our residents consistent with the basic principles of Odd Fellowship.

**CONTINUING CARE RETIREMENT COMMUNITY
DISCLOSURE STATEMENT
GENERAL INFORMATION**

Date Prepared: 07/23/25

FACILITY NAME: The Meadows of Napa Valley
 ADDRESS: 1800 Atrium Parkway, Napa, CA ZIP CODE: 94559 PHONE: (707) 257-7885
 PROVIDER NAME: Odd Fellows Home of California (OFHC) FACILITY OPERATOR: PRS Management, Inc
 RELATED FACILITIES: Sararoga Retirement Community RELIGIOUS AFFILIATION: _____
 YEAR OPENED: 1992 NO. OF ACRES: 20 ☐ SINGLE STORY ☐ MULTI-STORY ☒ OTHER: both MILES TO SHOPPING CTR: 1
 MILES TO HOSPITAL: 6

NUMBER OF UNITS:

RESIDENTIAL LIVING

APARTMENTS -STUDIO 10
 APARTMENTS -1 BDRM 79
 APARTMENTS - 2 BDRM 138
 COTTAGES/HOUSES 0
 RLU OCCUPANCY (%) AT YEAR END 92.50%

HEALTH CARE

ASSISTED LIVING 41
 SKILLED NURSING 60
 SPECIAL CARE 20
 DESCRIBE SPECIAL CARE: Memory/cognitive loss

TYPE OF OWNERSHIP: ☒ NOT FOR PROFIT ☐ FOR PROFIT ACCREDITED: ☐ Y ☐ N BY: _____

FORM OF CONTRACT: ☒ CONTINUING CARE ☐ LIFE CARE ☒ ENTRANCE FEE ☒ FEE FOR SERVICE
☐ ASSIGNMENT OF ASSETS ☐ EQUITY ☐ MEMBERSHIP ☒ RENTAL

REFUND PROVISIONS (Check all that apply): ☐ Refundable ☒ Repayable ☒ 90% ☐ 75% ☒ 50% ☒ OTHER: Prorated to 0% over 3 yrs

RANGE OF ENTRANCE FEES: \$ 110,000 - \$1,190,600 LONG -TERM CARE INSURANCE REQUIRED? ☐ Y ☒ N

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: Free SNF stays for temporary needs

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

RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD:
 (briefly describe provider's compliance and residents' roles) The Meadows of Napa Valley's resident representative
attends bimonthly OFHC Board Meetings and participates as a nonvoting representative of the Resident Association to the Board of Directors.
There is also a resident of the community that is a full voting member of the Odd Fellows Home of California board.

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES

SERVICES AVAILABLE

	AVAILABLE	FEE FOR SERVICE		INCLUDED IN FEE bi-weekly (depends on level of care)	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING TIMES/MONTH		
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NUMBER OF MEALS/DAY		
BOWLING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>
PUTTING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SHUFFLEBOARD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-INDOOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input 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 _____	<input type="checkbox"/>	<input type="checkbox"/>
OTHER <u>Computer Lab</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
On-site Physical Therapist	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			

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

PROVIDER NAME: Odd Fellows Home of California[illegible]

MULTI-LEVEL RETIREMENT COMMUNITIES

FREE-STANDING SKILLED NURSING

SUBSIDIZED SENIOR HOUSING

***PLEASE INDICATE IF THE FACILITY IS LIFE CARE.**

ODD FELLOWS HOME OF CALIFORNIA
FINANCIAL DISCLOSURE STATEMENT

PROVIDER NAME: ODD FELLOWS HOME OF CALIFORNIA

	2022	2023	2024	2025
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME				
(excluding amortization of entrance fee income)	59,415,277	56,288,895	66,759,014	75,248,376
LESS OPERATING EXPENSES				
(excluding depreciation, amortization, & interest)	57,540,074	62,135,414	67,017,209	66,286,382
NET INCOME FROM OPERATIONS	1,875,203	(5,846,519)	(258,195)	8,961,994
LESS INTEREST EXPENSE	3,621,630	3,399,979	3,062,607	3,025,600
PLUS CONTRIBUTIONS	830,554	12,344,517	2,422,111	2,140,079
PLUS NON-OPERATING INCOME (EXPENSES)				
(excluding extraordinary items)	-	-	-	-
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	(915,873)	3,098,019	(898,691)	8,076,473
NET CASH FLOW FROM ENTRANCE FEES				
(Total Deposits Less Refunds)	15,774,956	10,137,939	9,319,419	10,913,647

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

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
Insured Senior Living Revenue Bonds, 2023 Series A	65,850,000	4% - 5%	8/8/2023	4/1/2053	29 YR 8 MO

FINANCIAL RATIOS (see next page for ratio formulas)

	2023	2024	2025
DEBT TO ASSET RATIO	0.25	0.27	0.25
OPERATING RATIO	1.16	1.05	0.92
DEBT SERVICE COVERAGE RATIO	2.44	2.49	4.61
DAYS CASH-ON-HAND RATIO	262	285	340

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	2022	%	2023	%	2024	%	2025	%
STUDIO	\$ 3,476.00	5.0%	\$ 3,649.00	5.0%	\$ 3,577.00	-2.0%	\$ 3,767.00	5.3%
ONE BEDROOM	\$ 3,771.00	4.8%	\$ 3,933.00	4.3%	\$ 4,091.00	4.0%	\$ 4,320.00	5.6%
TWO BEDROOM	\$ 5,578.00	4.1%	\$ 5,877.00	5.4%	\$ 6,085.00	3.5%	\$ 6,246.00	2.6%
COTTAGE/HOUSE								
ASSISTED LIVING	\$ 7,272.00	6.5%	\$ 7,707.00	6.0%	\$ 8,316.00	7.9%	\$ 8,806.00	5.9%
SKILLED NURSING	\$ 13,282.00	7.0%	\$ 14,752.00	11.1%	\$ 16,060.00	8.9%	\$ 17,170.00	6.9%
SPECIAL CARE	\$ 8,054.00	6.5%	\$ 8,536.00	6.0%	\$ 9,295.00	8.9%	\$ 9,936.00	6.9%

COMMENTS FROM PROVIDER:

Added new private rooms in the SNF in 2023, which affects the average monthly fee. Actual increase to residents for 2023 was 9.5%

Removed/combined rooms in the IL in 2024, which affects the average monthly fee. Actual increase to residents was 7.9%

FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

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

OPERATING RATIO

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

DEBT SERVICE COVERAGE RATIO

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

DAYS CASH ON HAND RATIO

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

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>INDEPENDENT LIVING</u>	<u>ASSISTED LIVING</u>	<u>SKILLED NURSING</u>
[1] Monthly Service Fees at beginning of reporting period:	<u>\$2,580 - \$9,145</u>	<u>\$6,699 - \$11,111</u>	<u>\$12,197 - \$21,474</u>
[2] Indicate percentage of increase in fees imposed during reporting period:	<u>5.90%</u>	<u>5.90%</u>	<u>6.90%</u>
[] Check here if monthly service fees at this community were not increased during the reporting period.			
[3] Indicate the date the fee increase was implemented:	<u>April 1, 2024</u>		
[4] Check each of the appropriate boxes:			
[X] Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.			
[X] All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. Date of Notice: <u>1/10/2024</u> Method of Notice: <u>Email blast, copy in box</u>			
[X] At least 30 days prior to the increase in fees, the designated representative of the provider convened a meeting that all residents were invited to attend. Date of Meeting: <u>1/24/2024</u>			
[X] 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.			
[X] The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases. Date of Notice: <u>1/10/2024</u>			
[X] 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: <u>1/10/2024</u> Location of Posting: <u>Posted outside of Fellowship Hall</u>			
[5] On an attached page, provide a concise explanation for the increase in monthly care fees including the amount of the increase and compliance with the applicable Health and Safety Code sections. See <u>PART 7 REPORT ON CCRC MONTHLY CARE FEE</u> in the Annual Report Instruction booklet for further instructions.			

PROVIDER NAME: The Odd Fellows Home of California
COMMUNITY NAME: The Meadows of Napa Valley

FORM 7-1

Provider Name: Odd Fellows Home of California

FORM 7-1 MONTHLY CARE FEE INCREASE (MCFI)
2025

dollar amounts in thousands

Line	Fiscal Years	2023	2024	2025
1	F/Y 2023 Operating Expenses	(35,774)		
2	F/Y 2024 Operating Expenses (Adjustment if any, explained below)		(36,125)	
3	Projected F/Y 2025 Results of operations (adjustments explained below)			(35,715)
4	F/Y 2025 Anticipated MCF Revenue based on current and projected occupancy and other without a MCFI			30,253
5	Projected F/Y 2025 (Net) operating results without a MCFI (Line 3 plus Line 4)			(5,462)
6	Projected F/Y 2025 Anticipated revenue based on current and projected occupancy and other with MCFI 5.9%			31,492
7	Grand Total - Projected F/Y 2025 Net Operating Activity after 5.9% MCFI (Line 3 plus Line 6)			(4,223)

Monthly Care Fee Increase: 5.90%

Adjustments Explained:

The purpose of The Meadows of Napa Valley's annual budgeting and rate setting process is to establish a financial plan that is sufficient to meet the needs of its residents, attracting and retaining qualified staff, and to support the mission of the organization.

Monthly service fees were increased in 2024 by 5.9% for Independent Living and Assisted Living, and 6.9% for Memory Care and Skilled Nursing. The rate increase was derived from a process that considers the increased cost of providing services and reasonable operating margins necessary to ensure the continuation of the organizational mission. Anticipated cost increases included higher labor costs and normal inflationary cost increases related to purchases of supplies and services.

Total revenues are budgeted to increase by 1.7% or \$523K in fiscal year ended 3/31/25 to \$31.5M. Change in revenues is a result of changes in projected census, non-service fee revenue, and monthly service fee rate increases. Most of the revenue change is coming from Independent Living revenues as they are projected to increase by \$739K from prior budget due to improved occupancy and the fee increase, Assisted Living revenues are projected to decrease due to decreased occupancy \$75k from prior budget, Memory Care revenues are projected to increase \$276K with increased census, and Skilled Nursing revenues are projected to decrease \$651K as census levels are decreasing from the previous budget.

Expenses are expected to increase by 2.3% or \$787K in fiscal year ending 3/30/25 to \$35.7M driven primarily from inflation.

The negative result of operations is the result of the community reinvesting in the physical plant, thereby ensuring quality facilities for existing residents and continued marketability for prospective residents. Excluding non-cash items such as depreciation, operations produces a positive cash flow of \$1.53M.

The projected positive cash flow from operations allows the community to reinvest in the physical plant, thereby maintaining the quality of the facility for current residents and ensuring the continued marketability of the community to prospective residents and service debt costs. Additionally, positive net operating income ensures that the community will be able to fund unexpected costs or capital needs, and continue its mission to enhance quality of life, preserve dignity, meet health, social and emotional needs of our residents consistent with the basic principles of Odd Fellowship.