

ANNUAL REPORT CHECKLIST
FOR
FISCAL YEAR ENDED: September 30, 2025

PROVIDER: Bay Area Senior Services, Inc

FACILITY(IES): The Peninsula Regent

CONTACT PERSON: Lynn Acklin

TELEPHONE NO.: (541) 857-7779

EMAIL: lacklin@retirement.org

Your complete annual report must consist of 2 copies and an electronic copy of the following:

- ☐ a This cover sheet.
- ☐ a Annual Provider Fee in the amount of: 17,507.13
- ☐ a Certification by the provider's chief executive officer that:
 - ☐ a The reports are correct to the best of his/her knowledge.
 - ☐ a Each continuing care contract form in use or offered to new residents has been approved by the Department.
 - ☐ a The Provider is maintaining the required liquid reserve and, when applicable, the required refund reserve.
- ☐ a Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.
- ☐ a Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.
- ☐ a Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon.
- ☐ a Provider's "Continuing Care Retirement Community Disclosure Statement" and Form 7-1
- ☐ Provider's Refund Reserve Calculation(s) - Form 9-1 abd/or 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.



THE PENINSULA REGENT

Your Life. Your Way.

January 30, 2026

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

Re: Annual Report of Bay Area Senior Services,
dba The Peninsula Regent
Certification by Chief Executive Officer

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 January 30, 2026, Bay Area Senior Services is part of an obligated group with University Retirement Community and the group is maintaining the required liquid reserve and refund reserve.

Sincerely,

Anthony Sabatini, Interim CEO
Pacific Retirement Services, Inc
Bay Area Senior Services



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/21/2025

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

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

PRODUCER Caring Communities Shared Services LTD 1850 W. Winchester Road Suite 109 Libertyville IL 60048	CONTACT NAME: Underwriting Associate PHONE (A/C, No, Ext): 847-549-8225 FAX (A/C, No): 847-549-8095 E-MAIL ADDRESS: Certificates@caringcomm.org												
INSURED Pacific Retirement Services Inc. BASS Real Estate Holdings, LLC c/o Pacific Retirement Services, Inc. One West Main Street, Suite 303 Medford OR 97501	<table><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A: Caring Communities, A Reciprocal RRG</td><td>12373</td></tr><tr><td>INSURER B:</td><td></td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr></table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Caring Communities, A Reciprocal RRG	12373	INSURER B:		INSURER C:		INSURER D:		INSURER E:	
INSURER(S) AFFORDING COVERAGE	NAIC #												
INSURER A: Caring Communities, A Reciprocal RRG	12373												
INSURER B:													
INSURER C:													
INSURER D:													
INSURER E:													

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

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

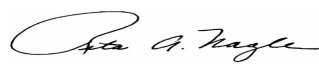
INSR LTR	TYPE OF INSURANCE	ADD'L INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☒ OCCUR ☒ PL/ML-Claims Made GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:			CCRRRG-0015-26 Includes Management Liability EPLI SIR per Claim \$ 75,000 D&O SIR per Claim \$ 75,000 Fiduciary SIR per Claim \$ 10,000	01/01/2026	01/01/2027	EACH OCCURRENCE \$ 1,000,000.00 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000.00 MED EXP (Any one person) \$ - PERSONAL & ADV INJURY \$ 1,000,000.00 GENERAL AGGREGATE \$ 3,000,000.00 PRODUCTS - COMP/OP AGG \$ incl PL/GL SIR Per Claim \$ 75,000.00
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☐ UMBRELLA LIAB ☒ OCCUR-GL ☒ EXCESS LIAB ☒ CLAIMS MADE-PL/ML DEDUCTIBLE ☒ RETENTION \$ 0			CCRRRG-0015-26 *Sublimits apply	01/01/2026	01/01/2027	EACH OCCURRENCE PL/GL \$ 20,000,000.00 AGGREGATE PL/GL \$ 20,000,000.00 *AUTO \$ 10,000,000.00 *EMP BEN \$ 5,000,000.00 EPLI/D&O (Occur&Aggr) \$ 10,000,000.00 *FIDUCIARY (Occur&Aggr) \$ 5,000,000.00
	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ Y / ☒ N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N / A				PER STATUTE ☐ OTH-ER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER						

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

12/21/2025 22:17:56

Note: Additional \$5,000,000/\$5,000,000 Excess coverage, but only for Insuring Agreement 1(a) D&O liability insurance for individual Directors and Officers.

CERTIFICATE HOLDER**CANCELLATION**

BASS Real Estate Holdings, LLC c/o Pacific Retirement Services, Inc. One West Main Street, Suite 303 Medford OR 97501	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
--	--



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/21/2025

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

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

PRODUCER Caring Communities Shared Services LTD 1850 W. Winchester Road Suite 109 Libertyville IL 60048	CONTACT NAME: Underwriting Associate PHONE (A/C, No, Ext): 847-549-8225 FAX (A/C, No): 847-549-8095 E-MAIL ADDRESS: Certificates@caringcomm.org												
INSURED Pacific Retirement Services Inc. Bay Area Senior Services, Inc. d/b/a The Peninsula Regent One Baldwin Avenue San Mateo CA 94401	<table><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A: Caring Communities, A Reciprocal RRG</td><td>12373</td></tr><tr><td>INSURER B:</td><td></td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr></table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Caring Communities, A Reciprocal RRG	12373	INSURER B:		INSURER C:		INSURER D:		INSURER E:	
INSURER(S) AFFORDING COVERAGE	NAIC #												
INSURER A: Caring Communities, A Reciprocal RRG	12373												
INSURER B:													
INSURER C:													
INSURER D:													
INSURER E:													

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

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

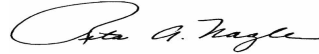
INSR LTR	TYPE OF INSURANCE	ADD'L INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☒ OCCUR ☒ PL/ML-Claims Made GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:			CCRRRG-0015-26 Includes Management Liability EPLI SIR per Claim \$ 75,000 D&O SIR per Claim \$ 75,000 Fiduciary SIR per Claim \$ 10,000	01/01/2026	01/01/2027	EACH OCCURRENCE \$ 1,000,000.00 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000.00 MED EXP (Any one person) \$ - PERSONAL & ADV INJURY \$ 1,000,000.00 GENERAL AGGREGATE \$ 3,000,000.00 PRODUCTS - COMP/OP AGG \$ incl PL/GL SIR Per Claim \$ 75,000.00
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☐ UMBRELLA LIAB ☒ OCCUR-GL ☒ EXCESS LIAB ☒ CLAIMS MADE-PL/ML DEDUCTIBLE ☒ RETENTION \$ 0			CCRRRG-0015-26 *Sublimits apply	01/01/2026	01/01/2027	EACH OCCURRENCE PL/GL \$ 20,000,000.00 AGGREGATE PL/GL \$ 20,000,000.00 *AUTO \$ 10,000,000.00 *EMP BEN \$ 5,000,000.00 EPLI/D&O (Occur&Aggr) \$ 10,000,000.00 *FIDUCIARY (Occur&Aggr) \$ 5,000,000.00
	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ Y ☒ N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE ☐ OTHER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER						

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

12/21/2025 22:17:46

Note: Additional \$5,000,000/\$5,000,000 Excess coverage, but only for Insuring Agreement 1(a) D&O liability insurance for individual Directors and Officers.

CERTIFICATE HOLDER**CANCELLATION**

The Peninsula Regent One Baldwin Avenue San Mateo CA 94401	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
--	--

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS**

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2025 AND 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAAconnect.com

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
TABLE OF CONTENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

INDEPENDENT AUDITORS' REPORT	1
COMBINED FINANCIAL STATEMENTS	
COMBINED STATEMENTS OF FINANCIAL POSITION	4
COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	5
COMBINED STATEMENTS OF CASH FLOWS	6
NOTES TO COMBINED FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	
COMBINING STATEMENTS OF FINANCIAL POSITION	31
COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	33
COMBINING STATEMENTS OF CASH FLOWS	35
COMBINING STATEMENTS OF CASH FLOWS – DIRECT METHOD	39
STATEMENTS OF PATIENT REVENUE – UNIVERSITY RETIREMENT COMMUNITY AT DAVIS	43



INDEPENDENT AUDITORS' REPORT

Board of Directors
Bay Area Senior Services, Inc. and
University Retirement Community at Davis
San Mateo and Davis, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined financial statements of Bay Area Senior Services, Inc. and University Retirement Community at Davis (a nonprofit organization), which comprise the combined statements of financial position as of September 30, 2025 and 2024, and the related combined statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Bay Area Senior Services, Inc. and University Retirement Community at Davis as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bay Area Senior Services, Inc. and University Retirement Community at Davis and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bay Area Senior Services, Inc. and University Retirement Community at Davis' ability to continue as a going concern for within one year after the date that the combined financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

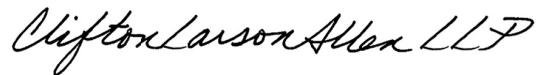
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined 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 Bay Area Senior Services, Inc. and University Retirement Community at Davis' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bay Area Senior Services, Inc. and University Retirement Community at Davis' 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.

Board of Directors
Bay Area Senior Services, Inc. and
University Retirement Community at Davis

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statements of financial position, activities and changes in net assets, and cash flows and the statement of patient revenue are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Lake Oswego, Oregon
January 27, 2026

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
COMBINED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2025 AND 2024**

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 8,576,178	\$ 5,416,331
Investments	31,782,227	32,596,933
Accounts Receivable	1,351,052	1,436,937
Allowance for Credit Losses	(463,508)	(365,805)
Supplies and Prepaid Expenses	816,474	704,872
Current Portion of Assets Restricted Under Bond Indenture Agreements	460	214,789
Total Current Assets	42,062,883	40,004,057
PROPERTY AND EQUIPMENT, NET	153,784,682	123,465,486
OTHER ASSETS		
Gift Annuities	5,078	5,078
Receivables from Members, Noncurrent	1,621,415	1,757,037
Restricted Deposits	2,463,817	2,340,650
Noncurrent Investments	9,898,214	8,872,366
Assets Restricted Under Bond Indenture Agreements, Net of Current Portion	39,621,106	-
Total Other Assets	53,609,630	12,975,131
Total Assets	<u>\$ 249,457,195</u>	<u>\$ 176,444,674</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 6,447,497	\$ 4,505,796
Accrued Interest	2,818,047	299,594
Other Current Liabilities	78,548	77,445
Due to Affiliates, Net	478,082	585,196
Refundable Deposits, Nonmember	3,573,147	2,818,470
Refundable Deposits, Member	42,641	47,939
Current Portion of Long-Term Debt	1,400,000	2,763,332
Total Current Liabilities	14,837,962	11,097,772
OTHER LIABILITIES		
Long-Term Debt and Premium, Net of Current Portion	116,023,599	58,304,632
Less: Unamortized Debt Issuance Costs	(2,050,641)	(719,442)
Long-Term Debt, Net	113,972,958	57,585,190
Refundable Entrance Fees	2,549,740	1,317,420
Deferred Revenue from Entrance Fees	48,258,090	45,175,275
Interest Rate Swap Agreement	-	541,559
Total Other Liabilities	164,780,788	104,619,444
Total Liabilities	179,618,750	115,717,216
NET ASSETS		
Without Donor Restriction	68,761,521	59,410,075
With Donor Restriction	1,076,924	1,317,383
Total Net Assets	69,838,445	60,727,458
Total Liabilities and Net Assets	<u>\$ 249,457,195</u>	<u>\$ 176,444,674</u>

See accompanying Notes to Combined Financial Statements.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	2025	2024
OPERATING REVENUES		
Service Fees	\$ 36,783,126	\$ 35,062,082
Health Center Revenue, Net	8,120,688	7,491,103
Entrance Fees Earned	7,148,845	7,479,456
Transfer Fees	1,047,450	753,715
Contributions	119,816	118,971
Investment Income	2,029,589	4,590,729
Other Revenue	1,531,949	1,263,606
Subtotal	56,781,463	56,759,662
Net Assets Released from Restrictions	1,034,694	665,337
Total Operating Revenues	57,816,157	57,424,999
OPERATING EXPENSES		
Program Expenses:		
Dietary	9,588,999	9,601,652
Facility Services and Utilities	10,630,233	11,250,243
Health and Social Services	5,717,094	5,523,729
Memory Care	782,992	761,333
Assisted Living	2,611,917	2,866,197
General and Administrative Expenses:		
Administrative and Marketing	7,575,256	8,200,337
Interest Expense and Financing Fees	3,111,103	3,982,638
Net Settlements Associated with Interest Rate Swap Agreement	-	(102,404)
Depreciation	7,319,463	6,825,691
Disbursement of Contributed Funds	1,066,436	706,622
Loss on Disposal of Property and Equipment	430,260	149,329
Other Expenses	920,150	969,904
Fees to Affiliates	3,121,440	2,962,255
Total Operating Expenses	52,875,343	53,697,526
OPERATING INCOME	4,940,814	3,727,473
NONOPERATING INCOME (LOSS)		
Contributed Property and Equipment	2,370,000	1,487,000
Unrealized Change in Value of Investments	2,492,015	2,046,582
Change in Value of Interest Rate Swap Agreement	-	(459,960)
Loss on Extinguishment of Debt	(451,383)	-
Total Nonoperating Income	4,410,632	3,073,622
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	9,351,446	6,801,095
NET ASSETS WITH DONOR RESTRICTION		
Contributions	794,235	690,431
Net Assets Released from Restrictions	(1,034,694)	(665,337)
Change in Net Assets with Donor Restrictions	(240,459)	25,094
CHANGE IN NET ASSETS	9,110,987	6,826,189
Net Assets - Beginning of Year	60,727,458	53,901,269
NET ASSETS - END OF YEAR	<u>\$ 69,838,445</u>	<u>\$ 60,727,458</u>

See accompanying Notes to Combined Financial Statements.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 9,110,987	\$ 6,826,189
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	7,319,463	6,825,691
Credit Losses	954,709	686,141
Amortization of Debt Issuance Costs	43,289	96,006
Amortization of Bond Premium	(91,870)	-
Change in Value of Interest Rate Swap Agreement	-	459,960
Nonrepayable Entrance Fees Received	11,318,980	8,203,280
Nonrepayable Entrance Fees Repaid	(1,087,320)	(25,111)
Entrance Fees Earned	(7,148,845)	(7,479,456)
Unrealized Change in Value of Investments	(2,492,015)	(2,046,582)
Realized Gain and Reinvested Income	(2,013,668)	(4,456,993)
Noncash Donation	(2,370,000)	(1,487,000)
Loss on Disposal of Property and Equipment	430,260	149,329
Loss on Extinguishment of Debt	451,383	-
Net Change in:		
Accounts Receivable	(771,121)	(774,576)
Supplies and Prepaid Expenses	(111,602)	309,957
Gift Annuities	-	287,880
Accounts Payable and Accrued Expenses	2,560,854	-
Accrued Interest	2,518,453	(26,917)
Due to Affiliates	(107,114)	196,262
Refundable Deposits	626,212	22,030
Other Current Liabilities	1,103	6,157
Net Cash Provided by Operating Activities	<u>19,142,138</u>	<u>7,772,247</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(36,470,578)	(11,603,693)
Proceeds from Sale of Property and Equipment	19,596	196,872
Purchases of Investments	(1,915,875)	(960,607)
Proceeds from Sale of Investments	6,103,317	7,194,979
Change in Assets Restricted Under Bond Indenture Agreements, Net	(35,858,813)	-
Change in Receivables from Members, Noncurrent	135,622	27,698
Net Cash Used by Investing Activities	<u>(67,986,731)</u>	<u>(5,144,751)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(62,156,406)	(2,654,595)
Issuance of Long-Term Debt	119,016,281	-
Interest Rate Swap Termination	(541,559)	(107,500)
Repayable Entrance Fees Received	1,232,320	-
Payments of Bond Issuance Costs	(2,105,331)	709,920
Net Cash Provided (Used) by Financing Activities	<u>55,445,305</u>	<u>(2,052,175)</u>
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	6,600,712	575,321
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>5,971,230</u>	<u>5,395,909</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u><u>\$ 12,571,942</u></u>	<u><u>\$ 5,971,230</u></u>

See accompanying Notes to Combined Financial Statements.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash and Cash Equivalents	\$ 8,576,178	\$ 5,416,331
Investments	233,011	340,110
Assets Restricted Under Bond Indenture Agreements	<u>3,762,753</u>	<u>214,789</u>
Cash, Cash Equivalents, and Restricted Cash	<u><u>\$ 12,571,942</u></u>	<u><u>\$ 5,971,230</u></u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	<u><u>\$ 3,088,475</u></u>	<u><u>\$ 3,913,549</u></u>
 SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Property and Equipment Financed with Accounts Payable and Accrued Expenses	<u><u>\$ 146,631</u></u>	<u><u>\$ 765,784</u></u>

See accompanying Notes to Combined Financial Statements.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Bay Area Senior Services, Inc. (BASS), is the owner and operator of The Peninsula Regent (TPR), a retirement community providing housing and other related services in San Mateo, California. BASS is a tax-exempt, nonprofit corporation incorporated under the laws of the state of California on July 1, 1986. Each resident (Member) of TPR becomes a Member of the Continuing Care Members Association and the Home Owners' Association.

On September 4, 2018, BASS created BASS Real Estate Holdings, LLC (BASS LLC), a wholly owned limited liability corporation incorporated under the laws of the state of California for the purpose of purchasing the land and common areas of TPR.

University Retirement Community at Davis (URCAD), was founded as a California nonprofit public benefit corporation to provide residential facilities, health and welfare programs, and various services and sponsor programs for the elderly and operates a life plan community in Davis, California.

On October 29, 2018, BASS, together with BASS LLC and URCAD (collectively, "The Obligated Group") formed a group jointly obligated to the long-term debt agreement entered into on October 29, 2018 and the Series 2013 Variable Rate Demand Revenue Bonds (see Note 5).

Collectively, BASS, BASS LLC, and URCAD are defined as "the Corporation." The Corporation is an affiliate of Pacific Retirement Services, Inc. (PRS). PRS includes the following organizations:

- Rogue Valley Manor (RVM) (including Rogue Valley Manor Foundation, Inc.)
- The Cumberland Rest, Inc. dba: Trinity Terrace (Trinity Terrace)
- Cascade Manor, Inc. (Cascade) (including Cascade Manor Foundation, Inc.)
- Holladay Park Plaza, Inc. (HPP)
- Mirabella (Mirabella Seattle) (including Mirabella Washington Foundation, dba: Mirabella Seattle Foundation)
- Mirabella at ASU, Inc. (Mirabella ASU)
- Capitol Lakes, Inc. (Capitol Lakes) (including Capitol Lakes Foundation, Inc., Middleton Glen, Inc., and Senior Housing of Middleton, Inc.)
- Mirabella at South Waterfront (Mirabella Portland)
- 25 Affordable Housing Corporations under various corporate names (AHC)
- Community Volunteer Network (CVN)
- PRS Property Holdings, LLC (included in PRS)
- Pacific Retirement Services Foundation (PRSF) (included in PRS)
- PRS Management, Inc. (PRS MI) (including The Centennial, Inc. and Quail Point)
- Haverland Carter Lifestyle Group (HCLG) (Including HCLG Operating, LLC, HCLG Management, Inc. HCLG Property, LLC, and HCLG Property Holdings, LLC)
- La Vida Llena (LVL)

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

- The Neighborhood in Rio Rancho (The Neighborhood)
- Sommerset Neighborhood, Inc. (Sommerset)
- Haverland Carter Ralston Creek (Ralston Creek)
- Del Corazon Hospice, LLC (Del Corazon)
- Haverland Carter Neighborhood Foundation (HCN Foundation)

Basis of Presentation

The accompanying combined financial statements include the accounts of BASS, BASS, LLC, and URCAD. The combined financial statements are prepared on the accrual basis of accounting and all significant intercompany balances and transactions have been eliminated.

Performance Indicator

Change in net assets without donor restrictions as reflected in the accompanying combined statements of activities and changes in net assets, is the performance indicator. Change in net assets without donor restrictions includes all changes in net assets without donor restrictions, including unrealized change in value of trading investments, change in value of interest rate swap agreement, excluding receipt of restricted contributions, change in value of gift annuities, and investment returns restricted by donors or law.

Cash and Cash Equivalents

Cash and cash equivalents include cash, money market accounts, commercial paper, and other securities with maturities of three months or less at 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. Investments in marketable securities are adjusted to fair value through recognition of unrealized gains and losses in the performance indicator as they are classified as trading securities. 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.

Accounts Receivable

The Corporation provides services to members and residents even though they may lack adequate funds or may participate in programs that do not pay full charges. The Corporation receives payment for health services from residents, insurance companies, Medicare, 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, by providing appropriate allowances for credit losses, and by having secured the accounts through a lien on the condominiums and its Residence and Care Agreements with the residents of the community.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

Accounts receivable are recorded net of an allowance for credit losses to represent the Corporation's estimate of expected losses at the statement of financial position date. The adequacy of the Corporation's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analyses of receivables by payor source and aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary. Accounts deemed uncollectible are charged against the allowance. Subsequent recoveries of credit losses are credited to the allowance.

Assets Restricted Under Bond Indenture Agreements

Under the terms of the bond indenture agreements between the California Statewide Communities Development Authority (the Authority), the Corporation, and U.S. Bank as Trustee, the Corporation established a Debt Service Fund for the payment of interest and principal on outstanding bonds. Periodic deposits are made to cover the principal and interest payments of the debt. At September 30, 2025 and 2024, the Corporation had a total of \$460 and \$214,789, respectively, in current portion of assets restricted under bond indenture agreements.

Under the terms of the bond indenture agreements between the California Statewide Communities Development Authority (the Authority), the Corporation, and U.S. Bank as Trustee, the Corporation established a project fund to maintain funds associated with construction of the expansion project at URCAD. At September 30, 2025 and 2024, the Corporation had a total of \$39,621,106 and \$-0-, respectively, in long-term portion of assets restricted under bond indenture agreements.

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 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 50 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 income or 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 September 30, 2025 and 2024.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Refundable Deposits

Applicants for residency pay waitlist and entrance fee deposits, which vary in amount, prior to occupancy. Generally, depositors may cancel their reservation agreements at any time prior to admission and receive partial to full repayment of their deposits, in accordance with their reservation agreements.

Deferred Revenue from Entrance Fees

Fees paid by a resident upon entering into a continuing care life plan contract are recorded as deferred revenue and are amortized to income over the estimated remaining actuarial life expectancy of the resident. Included in such deferred revenue are amounts expected to be repaid to residents, as actuarially determined. For the years ended September 30, 2025 and 2024, \$1,087,320 and \$25,111 were repaid, respectively. Amounts amortized to income relating to this type of contract were \$7,148,845 and \$7,479,456 for the years ended September 30, 2025 and 2024, respectively, and are included in entrance fees earned in the combined statements of activities and changes in net assets. At September 30, 2025 and 2024, the Corporation had nonrepayable entrance fees of \$48,258,090 and \$45,175,275, respectively, related to entrance fees received that will be recognized as revenue in future years.

Repayable Entrance Fees

Repayable contracts are 80% to 90% repayable. The repayable portion of entrance fees as of September 30, 2025 and 2024, were \$2,549,740 and \$1,317,420 and will be repaid according to the terms of the contract. There were no repayments of such entrance fees for the years ended September 30, 2025 and 2024.

Future Services Obligation

The Corporation regularly calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded (future services obligation) with the corresponding charge to expense. The obligation is discounted at 5.5% for both 2025 and 2024. At September 30, 2025 and 2024, there was no future services obligation.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest Rate Swap Agreement

The Corporation has a derivative instrument which is an interest rate swap agreement (see Note 6), which is recorded on the combined statements of financial position at fair value. As this derivative does not qualify as an effective hedge, the changes in fair value of the derivative are recognized in nonoperating income (loss) on the combined statements of activities and changes in net assets in accordance with Accounting Standards Codification (ASC) 815, *Derivatives and Hedging*. In addition, there is a collateral posting requirement if either the Corporation or Merrill Lynch (the Counterparty) exceeds a certain dollar threshold in terms of the market value. The Corporation reports any collateral posted as an Other Asset on the combined statements of financial position. The collateral posting level is also contingent on the credit rating of the Corporation. If the Corporation were to experience a downgrade in its credit rating, the posting threshold would increase. The Corporation had no collateral posting requirements at September 30, 2025 and 2024.

Receivables from Members, Noncurrent

Receivables from Members represent interest-bearing notes executed between the Corporation and certain Members who have deferred a portion of their monthly fee. The loan is secured by the Member's interest in their condominium and is to be repaid upon the sale of the condominium, along with interest. It is possible that the advances could exceed the sales value of the condominium. Management believes that none of the current advances outstanding, which total \$1,621,415 and \$1,757,037 as of September 30, 2025 and 2024, respectively, exceed the sales value of the Members' condominiums.

Net Assets

The Corporation reports two classifications of net assets. A description of each classification of net assets is as follows:

Net Assets Without Donor Restrictions – Represent unrestricted resources available to support the Corporation's operations and restricted resources which have become available for use by the Corporation in accordance with the intention of the donor.

Net Assets With Donor Restrictions – Net assets with donor restrictions represent net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other purposes specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

All donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Income earned on net assets with donor restrictions, including capital appreciation, is recognized in the period earned.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Amounts provided as charity care for the years ended September 30, 2025 and 2024 were \$433,133 and \$136,264, respectively.

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 in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

Transfer Fees

Upon the resale of a condominium, BASS is entitled to a transfer fee equal to 10% of the seller's purchase price plus 75% of any realized appreciation. Revenue is recognized in the period in which the condominium sale takes place.

Tax-Exempt Status

BASS and URCAD have been recognized by the Internal Revenue Service as nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from federal and state income taxes on related activities. No tax provision has been made in the accompanying combined 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. At September 30, 2025 and 2024, there were no such uncertain tax positions.

Concentration of Risks

The Corporation's cash, cash equivalents, unrestricted investments, and assets restricted under bond indenture 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 securities is dependent on the ability of the issuer to honor its contractual commitments, and the fair value of investments is 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.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Risks (Continued)

Concentration of credit risk results from the Corporation granting credit without collateral to its residents and patients, most of whom are local residents and may be insured under third-party payor agreements. See Note 3 for the mix of receivables from residents, members, and third-party payors as of September 30, 2025 and 2024.

Workers' Compensation Insurance

The Corporation is insured for workers' compensation claims under a guaranteed cost policy. Under the policy, premiums are paid based on estimated annual payroll amounts, which are trueed up at each year-end. All claims are covered under the policy. Should the claims made policy not be renewed, or replaced with equivalent insurance, claims related to occurrences during their terms but reported subsequent to their termination would be covered by the insurance policy. Accounting principles generally accepted in the United States of America require that a healthcare organization disclose the estimated costs of claims in the period of the incident, if it is reasonably possible that liabilities may be incurred and losses can be reasonably estimated. Because this is a guaranteed cost policy, and all claims are covered, there is no estimated liability to record.

Professional and General Liability Insurance

The Corporation, on its behalf, has secured claims-made professional liability and general liability insurance policies with self-insured retentions of \$75,000 per claim, with coverage limits of \$1,000,000 per claim, and \$3,000,000 in aggregate per policy period January 1, 2024 to January 1, 2025 and January 1, 2025 to January 1, 2026. The Corporation, on its behalf, has also secured an excess professional and general liability insurance policy with limits of \$20,000,000 per claim and in the aggregate per policy period January 1, 2025 to January 1, 2026 and January 1, 2024 to January 1, 2025. The Corporation has accrued no liability in its best estimate of the cost of known claims incurred prior to September 30, 2025 and 2024. In addition, the Corporation has accrued no liability as of September 30, 2025 and 2024, in its best estimate of the cost of claims incurred but not yet reported.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Instruments

The Corporation's policy is to recognize transfers in and transfers out of Level 1 and Level 2 as of the end of the reporting period. See Note 12 for fair value hierarchy disclosures.

Advertising

The Corporation expenses advertising costs as incurred. The Corporation's advertising expense for the years ended September 30, 2025 and 2024 was \$526,819 and \$482,116, respectively.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 2 LIQUIDITY AND AVAILABILITY

As of September 30, 2025 and 2024, the Corporation had working capital of \$27,224,921 and \$28,906,285, respectively.

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

	2025	2024
Cash and Cash Equivalents	\$ 8,576,178	\$ 5,416,331
Investments	31,782,227	32,596,933
Accounts Receivable	887,544	1,071,132
Total Financial Assets	<u>\$ 41,245,949</u>	<u>\$ 39,084,396</u>

As part of the Corporation's liquidity management plan, cash in excess of daily requirements are invested in accordance with its investment policy.

As of September 30, 2025, management believes the Corporation was in compliance with debt covenants (see Note 5).

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable at September 30 consisted of the following:

	2025		2024	
	Amount	Percentage	Amount	Percentage
Resident and Member Monthly Fees	\$ 816,061	60 %	\$ 712,324	50 %
Medicare	283,793	21	418,028	29
Other	120,065	9	228,438	16
Insurance	104,083	8	78,147	5
Entrance Fees	27,050	2	-	-
Total Accounts Receivable	<u>1,351,052</u>	<u>100 %</u>	<u>1,436,937</u>	<u>100 %</u>
Less: Allowance for Credit Losses	(463,508)		(365,805)	
Accounts Receivable, Net	<u>\$ 887,544</u>		<u>\$ 1,071,132</u>	

The change in allowance for credit losses consisted of the following:

Allowance for Credit Losses, Beginning of Year	\$ 365,805
Increase Due to the Passage of Time	954,709
Write-offs Charged Against Allowance	(857,006)
Allowance for Credit Losses, End of Year	<u>\$ 463,508</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment at September 30 consisted of the following:

	2025	2024
Land	\$ 30,049,810	\$ 30,049,810
Buildings and Land Improvements	141,157,983	134,972,558
Equipment and Furnishings	21,817,729	20,901,653
Subtotal	193,025,522	185,924,021
Less: Accumulated Depreciation	(80,583,316)	(73,671,210)
Subtotal	112,442,206	112,252,811
Construction in Progress	41,342,476	11,212,675
Property and Equipment, Net	<u>\$ 153,784,682</u>	<u>\$ 123,465,486</u>

Construction in progress for 2025 consists of ongoing renovations of twenty condos, assisted living apartment renovations, and HVAC upgrades at TPR. Renovations ongoing at URC include a master plan project funded by Series 2024 Revenue Refunding Bonds. In addition, other various ongoing renovations at both are being funded by operations.

During the years ended September 30, 2025 and 2024, the Corporation received a donation of eleven and six condos, respectively. The fair market value of the condos of \$2,370,000 and \$1,487,000 is included in Property and Equipment in the combined statements of financial position at September 30, 2025 and 2024, respectively, and recognized as Contributed Property and Equipment in the combined statement of activities and changes in net assets for the years ended September 30, 2025 and 2024.

NOTE 5 LONG-TERM DEBT

Long-term debt at September 30 consisted of the following:

	2025	2024
Series 2024 Revenue and Refunding Bonds	\$ 110,965,000	\$ -
Series 2013 Revenue Refunding Bonds	-	19,235,000
2021 Loan	-	41,832,964
Subtotal	110,965,000	61,067,964
Add: Unamortized Premium	6,458,599	-
Less: Unamortized Debt Issuance Costs	(2,050,641)	(719,442)
Less: Current Portion	(1,400,000)	(2,763,332)
Long-Term Debt, Net	<u>\$ 113,972,958</u>	<u>\$ 57,585,190</u>

The terms of the Corporation's outstanding long-term debt at September 30 are as described in the paragraphs. In addition, the Corporation entered into a contract for a fixed-pay interest rate swap (see Note 6).

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 5 LONG-TERM DEBT (CONTINUED)

Series 2024 Revenue and Refunding Bonds

On October 1, 2024, California Municipal Finance Authority, issued \$112,215,000 of revenue and refunding bonds. The bonds bear interest at 5% for the 2024A Bonds, 5.75% for the 2024B-1 Bonds and 5.5% for the 2024B-2 Bonds. The bonds were issued to refinance the 2013 bonds and 2021 loan and other capital improvements. The bonds are subject to redemptions as scheduled prior to final maturity of April 1, 2054.

Series 2013 Revenue Refunding Bonds

On August 29, 2013 the California Statewide Communities Development Authority, issued \$33,708,000 of revenue refunding bonds directly placed with Bank of America. The bonds bore interest at 67% of London Interbank Offered Rate (LIBOR) plus a spread of 1.27%. The bonds were issued to refinance the 2008 and 2010 bonds and other capital improvements. The bonds are subject to redemptions as scheduled prior to final maturity in November 2033. The bonds were subject to a mandatory put on August 29, 2023. On July 9, 2021, a new agreement was entered into lowering the interest rate to 80% of LIBOR plus a spread of .85%. On May 1, 2023, the Corporation entered into an agreement amending the interest rate index to 80% of an adjusted Secured Overnight Financing Rate (SOFR). The new agreement extended the mandatory put date to July 1, 2031. On October 1, 2024 the Series 2013 Bonds were refinanced with the issuance of the Series 2024 Revenue and Refunding Bonds.

2021 Loan

On July 9, 2021, the Corporation refinanced the loan with Bank of America for the amount of \$43,500,000. The debt bore interest at LIBOR plus a spread of 1.08%. On May 1, 2023, the Corporation entered into an agreement amending the interest rate index from LIBOR to an adjusted Secured Overnight Financing Rate (SOFR). The proceeds of the loan were used to refinance the 2018 loan, pay off a promissory note and other capital improvements. The debt was subject to final maturity on July 1, 2031. On October 1, 2024, the 2021 Loan was refinanced with the issuance of the Series 2024 Revenue and Refunding Bonds.

Debt

The Corporation has granted a security interest and lien on certain real property, improvements, and tangible personal property in connection with the bonds 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.

Corporation was in compliance with all provisions as of September 30, 2025 and 2024.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 5 LONG-TERM DEBT (CONTINUED)

Aggregate maturities of long-term debt are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2026	\$ 1,400,000
2027	1,465,000
2028	1,535,000
2029	1,615,000
2030	1,695,000
Thereafter	103,255,000
Total	<u>\$ 110,965,000</u>

The Corporation is subject to financial covenants on long-term debt which include a debt service coverage ratio and minimum days cash-on-hand requirement. Management believes that the Corporation was in compliance with all provisions as of September 30, 2025 and 2024.

Unamortized Debt Issuance Costs

Issue costs relating to the 2024 bonds in the amount of \$2,218,831 and \$113,500 were reported as a direct reduction of the carrying amount of the debt as of September 30, 2025 and 2024, respectively. Unamortized debt issuance costs are amortized over the term of the bonds using the effective interest rate method. For the years ended September 30, 2025 and 2024, amortization expense was \$162,191 and \$5,999, respectively, and as of September 30, 2025 accumulated amortization was \$168,190 and \$5,999, respectively.

Issue costs relating to the 2013 bond issue in the amount of \$495,378, and the 2021 Bank of America loan in the amount of \$741,130 were reported as a direct reduction of the carrying amount of the debt at September 30, 2024. Unamortized debt issuance costs are amortized over the term of the bonds. For the year ended September 30, 2024, amortization expense was \$96,006 and as of September 30, 2024, accumulated amortization was \$625,201. During 2025, issue costs relating the 2013 bonds and 2021 loan were written off as part of the extinguishment of debt.

NOTE 6 INTEREST RATE SWAP AGREEMENT

On November 1, 2005, University Retirement Community entered into a contract with Merrill Lynch (counterparty) for a fixed-pay interest rate swap. The interest rate swap has an effective date of November 1, 2005, and a termination date of November 15, 2030. It was entered into for the benefit of University Retirement Community to manage interest rate risk on the variable rate bonds, however, it is not being accounted for as an effective hedge.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 6 INTEREST RATE SWAP AGREEMENT (CONTINUED)

Under the interest rate swap agreement, which had a \$45,085,000 original notional amount, agrees with the other party to pay, at specified intervals, the fixed rate of 3.21%, while initially receiving the variable rate of 67% of three-month LIBOR. On June 1, 2023, the Corporation entered into an agreement amending the variable rate to 67% of three-month SOFR plus 0.26161%. The outstanding notional principal amount decreases ratably with the original scheduled principal payments. The outstanding notional amounts under the interest rate swap agreement was \$-0- and \$18,460,000 at September 30, 2025 and 2024, respectively. The interest rate swap was terminated October 1, 2024.

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

The Corporation classifies net asset funds/trusts with donor restrictions that are restricted by time and purpose.

Net assets with donor restrictions at September 30 consisted of the following:

	2025	2024
Net Assets with Temporary Donor Restrictions:		
Resident Assistance	\$ 778,570	\$ 987,263
Employee Appreciation	244,845	245,111
Employee Scholarship	41,287	72,787
B Nelson Transportation	6,450	6,450
Piano Restoration	2,157	2,157
Capital Improvements	1,545	1,545
Other	2,070	2,070
Total Net Assets with Donor Restrictions	<u>\$ 1,076,924</u>	<u>\$ 1,317,383</u>

Net assets released from donor restrictions for the years ended September 30 were released for the following purposes:

	2025	2024
Employee Appreciation	\$ 558,061	\$ 512,806
Resident Assistance	433,133	136,242
Employee Scholarship	43,500	16,289
Total Net Assets Released from Donor Restrictions	<u>\$ 1,034,694</u>	<u>\$ 665,337</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 8 SERVICE FEES AND HEALTH CENTER REVENUE

Resident service fees and patient health center revenue is reported at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for services provided. These amounts are due from residents, third-party payors (including health insurers and government programs), and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. For the years ended September 30, 2025 and 2024, approximately 40% and 38%, respectively, of health center revenue was derived under federal third-party reimbursement programs.

Performance obligations are determined based on the nature of the services provided by the Corporation. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Corporation believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facility receiving skilled nursing services or housing residents receiving services in the facility. The Corporation considers daily services provided to residents of the skilled nursing facility, and monthly rental for housing services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter. The continuing care agreement creates a performance obligation to be satisfied over the resident's life at the Corporation. The Corporation recognizes the revenue associated with the nonrepayable portion of the entrance fee ratably in future periods using a time based measurement. All service and health center revenue is considered to be recognized over time.

Revenue for performance obligations satisfied at a point in time is generally recognized when goods or services are provided to the residents and customers in a retail setting (for example, gift shop, salon, transportation, and cafeteria meals) and the Corporation does not believe it is required to provide additional goods or services related to that sale.

The Corporation determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to patients in accordance with the Corporation's policy and/or implicit price concessions provided to residents. The Corporation determines its estimates of contractual adjustments based on contractual agreements, its policies, historical experience, as well as expected future economic conditions and market trends.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Corporation estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by adjusting the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident and client services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended September 30, 2025 or 2024. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as provision for uncollectible accounts and were not considered material for the years ended September 30, 2025 and 2024.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 8 SERVICE FEES AND HEALTH CENTER REVENUE (CONTINUED)

The Corporation has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, geography, service lines, method of reimbursement, and timing of when revenue is recognized.

The composition of service fees and health center revenue by primary payor for the years ended September 30 consisted of the following:

	2025	2024
Private Pay	\$ 41,019,881	\$ 39,134,768
Medicare	3,250,701	2,846,499
Insurance	633,232	571,918
Total	<u>\$ 44,903,814</u>	<u>\$ 42,553,185</u>

Revenue from resident and patient's deductibles and coinsurance are included in the categories presented above based on the primary payor.

The opening and closing contract balances were as follows:

	Accounts Receivable	Deferred Revenue from Entrance Fees
Balance as of October 1, 2023	\$ 982,697	\$ 44,476,562
Balance as of September 30, 2024	1,071,132	45,175,275
Balance as of September 30, 2025	887,544	48,258,090

Contract Costs

The Corporation has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Corporation otherwise would have recognized is one year or less in duration.

NOTE 9 OTHER REVENUE

Other revenue for the years ended September 30 consisted of the following:

	2025	2024
Lease and Rental	\$ 590,429	\$ 449,705
Miscellaneous Other	327,923	292,277
Facility Services	230,123	207,052
Food and Beverage	168,395	119,569
Garage and Carport	117,868	112,106
Guest Room	72,211	63,897
Application Fees	25,000	19,000
Total Other Revenue	<u>\$ 1,531,949</u>	<u>\$ 1,263,606</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 10 RELATED PARTY TRANSACTIONS

PRS provides various general, administrative, and marketing services to the Corporation. The total fees included in the combined statements of activities and changes in net assets were \$3,121,440 and \$2,962,255 for the years ended September 30, 2025 and 2024, respectively.

In addition, the Corporation, PRS MI, and other Affiliates are charged or reimbursed for salaries, benefits, and direct expenses as services are provided.

Due to affiliates at September 30 consisted of the following:

	2025	2024
Due to PRS	\$ 340,150	\$ 524,100
Due to PRS MI	144,727	67,737
Due from Affiliates	(6,795)	(6,641)
Total Due to Affiliates, Net	<u>\$ 478,082</u>	<u>\$ 585,196</u>

NOTE 11 INVESTMENT INCOME

Income from investments, assets restricted under bond indenture agreements, and cash and cash equivalents for the years ended September 30 consisted of the following:

	2025	2024
Dividends and Interest, Net of Investment Expense	\$ 1,458,492	\$ 1,399,268
Realized Gain on Investments	571,097	3,191,461
Total Investment Income	<u>\$ 2,029,589</u>	<u>\$ 4,590,729</u>

Investment income is reported net of investment expenses of \$2,029,453 and \$4,590,728 for the years ended September 30, 2025 and 2024, respectively.

The total unrealized change in value on investments was \$2,492,015 and \$2,046,582 for the years ended September 30, 2025 and 2024, respectively.

NOTE 12 FINANCIAL INSTRUMENTS

FASB ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 also establishes a fair value hierarchy 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.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

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; or net assets value per share (or its equivalent) with the ability to redeem the investment in the near term.

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 combined statements of financial position at September 30, 2025 and 2024, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Cash and Cash Equivalents – Level 1 securities include cash and cash equivalents, including those held in bond sinking funds and held for refundable deposits.

Investments and Assets Restricted Under Bond Indenture Agreements – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include cash and cash equivalents held for investment, exchange traded equities and mutual funds, debt securities, and fixed income securities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with identical characteristics, discounted cash flows, or net asset values. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the fair value hierarchy.

Gift Annuities – The gift annuities receivable value is based on life expectancy tables and an assumed rate of return of 4%.

Interest Rate Swap Agreement – The interest rate swap agreement fair value is based upon current settlement values, quoted market prices of comparable instruments, or, if there are no relevant comparables, on pricing models or formulas using current assumptions.

Investments at NAV – These assets consist of investments in private equity companies which are carried at estimated fair value as a practical expedient by using net asset value (NAV). Investments carried at NAV are evaluated on an investment by investment basis annually by management through review of partner's capital statements of activity from the fund, and fund audited financial statements when available.

The Corporation has an investment committee that meets at least quarterly with management and the investment advisors to review the strategy and ongoing performance of all investments, including analyzing changes in fair value measurements from period to period.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

The following tables present the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis at September 30:

	2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and Cash Equivalents				
Domestic Equity:				
Large Cap	\$ 11,131,656	\$ -	\$ -	\$ 11,131,656
International Equity:				
EAFE Equity	1,898,468	-	-	1,898,468
Asia Ex-Japan Equity	269,813	-	-	269,813
Japanese Large Cap Equity	673,684	-	-	673,684
Emerging Markets Equity	1,724,599	-	-	1,724,599
European Large Cap Equity	1,821,675	-	-	1,821,675
Fixed Income:				
U.S. Fixed Income	14,593,586	-	-	14,593,586
Non-U.S. Fixed Income	105,109	-	-	105,109
Short-Term	354,130	-	-	354,130
Alternative Assets:				
Corporate Issues	34,835,309	-	-	34,835,309
Gift Annuities	-	5,078	-	5,078
Total at Fair Value	<u>\$ 67,408,029</u>	<u>\$ 5,078</u>	<u>\$ -</u>	67,413,107
Cash and Cash Equivalents				3,995,764
Investments Carried at NAV				9,898,214
Total Assets				<u>\$ 81,307,085</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

	2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Domestic Equity:				
Large Cap	\$ 10,645,622	\$ -	\$ -	\$ 10,645,622
Mid Cap	466,278	-	-	466,278
International Equity:				
EAFE Equity	1,814,132	-	-	1,814,132
Japanese Large Cap Equity	978,596	-	-	978,596
Emerging Markets Equity	1,730,624	-	-	1,730,624
Global Equity	288,735	-	-	288,735
European Large Cap Equity	1,507,607	-	-	1,507,607
Fixed Income:				
U.S. Fixed Income	13,956,059	-	-	13,956,059
Non-U.S. Fixed Income	123,593	-	-	123,593
Short-Term	745,577	-	-	745,577
Alternative Assets:				
Gift Annuities	-	5,078	-	5,078
Total at Fair Value	<u>\$ 32,256,823</u>	<u>\$ 5,078</u>	<u>\$ -</u>	32,261,901
Cash and Cash Equivalents				554,899
Investments Carried at NAV				8,872,366
Total Assets				<u>\$ 41,689,166</u>
Liabilities:				
Interest Rate Swap Agreement	<u>\$ -</u>	<u>\$ 541,559</u>	<u>\$ -</u>	<u>\$ 541,559</u>

The financial instruments are classified in the combined statements of financial position at September 30:

	2025	2024
Investments	\$ 41,680,441	\$ 41,469,299
Assets Restricted Under Bond Indenture Agreements	39,621,566	214,789
Gift Annuities	5,078	5,078
Total	<u>\$ 81,307,085</u>	<u>\$ 41,689,166</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

Certain of the investments are reported using a calculated NAV per share (or its equivalent). These investments are not expected to be sold at amounts that are different from NAV. The following tables and explanations identify attributes relating to the nature and risk of such investments:

	2025			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Funds	\$ 9,002,336	\$ 1,338,585	None	None
Private Equity Real Estate Funds	895,878	-	None	None
Total Investments Carried at NAV	<u>\$ 9,898,214</u>	<u>\$ 1,338,585</u>		

	2024			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Funds	\$ 6,475,737	\$ 1,870,011	None	None
Private Equity Real Estate Funds	2,396,629	-	None	None
Total Investments Carried at NAV	<u>\$ 8,872,366</u>	<u>\$ 1,870,011</u>		

NOTE 13 RETIREMENT PLANS

The Corporation is a participating employer in the Pacific Retirement Services, Inc. 401(k) Plan. All employees of the Corporation are able to participate in the 401(k) plan by deferring funds from their compensation into the plan. As well, safe harbor matching funds are provided by the employer to eligible employees based on the employee contributions up to a maximum of 4% of the employee's eligible annual compensation. Nonelective profit sharing contributions are also provided at the election of the employer and are based on a percentage of the qualified employee's annual eligible compensation, as defined by the plan.

Total contributions charged to expense for the plans were \$971,656 and \$992,610 for the years ended September 30, 2025 and 2024, respectively.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 14 STATUTORY RESERVES

BASS and URCAD are certified as a Life Plan Community by the State of California Department of Social Services. California Code Chapter 10, Article 6, Section 1792 requires a Life Plan Community 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 Life Plan Community's adjusted operating expenses. BASS and URCAD's liquid reserves at September 30, 2025 and 2024, were sufficient to meet this requirement.

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.

Development Contract

Pursuant to the 2024 revenue and refunding bonds, URCAD entered into a construction contract for the master plan project. During the year ended September 30, 2025 \$16,832,266 was capitalized into construction in progress. The contract is structured as a guaranteed maximum price agreement with a total contract limit not to exceed \$42,826,464, subject to change orders and allowable contingencies.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 16 FUNCTIONAL EXPENSES

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

Functional expenses at September 30 consisted of the following:

2025			
	Program Services	Management and General	Total
Salaries and Benefits	\$ 20,241,113	\$ 3,239,329	\$ 23,480,442
Depreciation and Loss on Disposal or			
Property and Equipment	7,749,723	-	7,749,723
Interest and Financing	3,111,103	-	3,111,103
Services	3,968,787	4,300,985	8,269,772
Supplies	3,650,305	203,278	3,853,583
Other	1,028,654	2,324,868	3,353,522
Utilities	3,057,198	-	3,057,198
Total Expenses	<u>\$ 42,806,883</u>	<u>\$ 10,068,460</u>	<u>\$ 52,875,343</u>
2024			
	Program Services	Management and General	Total
Salaries and Benefits	\$ 20,721,899	\$ 3,600,800	\$ 24,322,699
Depreciation and Loss on Disposal or			
Property and Equipment	6,975,018	-	6,975,018
Interest and Financing	3,880,234	-	3,880,234
Services	4,202,650	4,159,158	8,361,808
Supplies	3,490,730	229,393	3,720,123
Other	1,118,139	2,077,291	3,195,430
Utilities	3,242,214	-	3,242,214
Total Expenses	<u>\$ 43,630,884</u>	<u>\$ 10,066,642</u>	<u>\$ 53,697,526</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 17 SUBSEQUENT EVENTS

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

The Corporation evaluated all events or transactions that occurred after September 30, 2025, up through January 27, 2026, the date the combined financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Total
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 4,599,848	\$ 3,976,330	\$ -	\$ 8,576,178
Investments	30,884,638	897,589	-	31,782,227
Accounts Receivable	936,229	414,823	-	1,351,052
Allowance for Credit Losses	(96,933)	(366,575)	-	(463,508)
Supplies and Prepaid Expenses	499,687	316,787	-	816,474
Current Portion of Assets Restricted Under Bond Indenture Agreements	460	-	-	460
Total Current Assets	<u>36,823,929</u>	<u>5,238,954</u>	<u>-</u>	<u>42,062,883</u>
PROPERTY AND EQUIPMENT, NET	101,452,297	52,332,385	-	153,784,682
OTHER ASSETS				
Gift Annuities	5,078	-	-	5,078
Receivables from Members, Noncurrent	-	1,621,415	-	1,621,415
Restricted Deposits	2,463,817	-	-	2,463,817
Noncurrent Investments	9,898,214	-	-	9,898,214
Assets Restricted Under Bond Indenture Agreements, Net of Current Portion	39,621,106	-	-	39,621,106
Total Other Assets	<u>51,988,215</u>	<u>1,621,415</u>	<u>-</u>	<u>53,609,630</u>
Total Assets	<u><u>\$ 190,264,441</u></u>	<u><u>\$ 59,192,754</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 249,457,195</u></u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 4,894,313	\$ 1,553,184	\$ -	\$ 6,447,497
Accrued Interest	1,739,356	1,078,691	-	2,818,047
Other Current Liabilities	78,048	500	-	78,548
Due to Affiliates, Net	362,116	115,966	-	478,082
Refundable Deposits, Nonmember	3,573,147	-	-	3,573,147
Refundable Deposits, Member	-	42,641	-	42,641
Current Portion of Long-Term Debt	1,117,619	282,381	-	1,400,000
Total Current Liabilities	<u>11,764,599</u>	<u>3,073,363</u>	<u>-</u>	<u>14,837,962</u>
OTHER LIABILITIES				
Long-Term Debt and Premium, Net of Current Portion	74,725,143	41,298,456	-	116,023,599
Less: Unamortized Debt Issuance Costs	(2,050,641)	-	-	(2,050,641)
Long-Term Debt, Net	<u>72,674,502</u>	<u>41,298,456</u>	<u>-</u>	<u>113,972,958</u>
Refundable Entrance Fees	-	2,549,740	-	2,549,740
Deferred Revenue from Entrance Fees	47,836,868	421,222	-	48,258,090
Total Other Liabilities	<u>120,511,370</u>	<u>44,269,418</u>	<u>-</u>	<u>164,780,788</u>
Total Liabilities	132,275,969	47,342,781	-	179,618,750
NET ASSETS				
Without Donor Restriction	57,042,562	11,718,959	-	68,761,521
With Donor Restriction	945,910	131,014	-	1,076,924
Total Net Assets	<u>57,988,472</u>	<u>11,849,973</u>	<u>-</u>	<u>69,838,445</u>
Total Liabilities and Net Assets	<u><u>\$ 190,264,441</u></u>	<u><u>\$ 59,192,754</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 249,457,195</u></u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Total
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 2,666,820	\$ 2,749,511	\$ -	\$ 5,416,331
Investments	31,800,044	796,889	-	32,596,933
Accounts Receivable	1,026,194	410,743	-	1,436,937
Allowance for Credit Losses	(43,762)	(322,043)	-	(365,805)
Supplies and Prepaid Expenses	403,479	301,393	-	704,872
Current Portion of Assets Restricted Under Bond Indenture Agreements	214,789	-	-	214,789
Total Current Assets	<u>36,067,564</u>	<u>3,936,493</u>	<u>-</u>	<u>40,004,057</u>
PROPERTY AND EQUIPMENT, NET	73,657,627	49,807,859	-	123,465,486
OTHER ASSETS				
Gift Annuities	5,078	-	-	5,078
Receivables from Members, Noncurrent	-	1,757,037	-	1,757,037
Restricted Deposits	2,340,650	-	-	2,340,650
Noncurrent Investments	8,219,740	652,626	-	8,872,366
Total Other Assets	<u>10,565,468</u>	<u>2,409,663</u>	<u>-</u>	<u>12,975,131</u>
Total Assets	<u>\$ 120,290,659</u>	<u>\$ 56,154,015</u>	<u>\$ -</u>	<u>\$ 176,444,674</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 2,887,683	\$ 1,618,113	\$ -	\$ 4,505,796
Accrued Interest	76,329	223,265	-	299,594
Other Current Liabilities	76,623	822	-	77,445
Due to Affiliates, Net	348,488	236,708	-	585,196
Refundable Deposits, Nonmember	2,818,470	-	-	2,818,470
Refundable Deposits, Member	-	47,939	-	47,939
Current Portion of Long-Term Debt	1,735,000	1,028,332	-	2,763,332
Total Current Liabilities	<u>7,942,593</u>	<u>3,155,179</u>	<u>-</u>	<u>11,097,772</u>
OTHER LIABILITIES				
Long-Term Debt, Net of Current Portion	17,500,000	40,804,632	-	58,304,632
Less: Unamortized Debt Issuance Costs	(481,969)	(237,473)	-	(719,442)
Long-Term Debt, Net	<u>17,018,031</u>	<u>40,567,159</u>	<u>-</u>	<u>57,585,190</u>
Refundable Entrance Fees	-	1,317,420	-	1,317,420
Deferred Revenue from Entrance Fees	45,035,074	140,201	-	45,175,275
Interest Rate Swap Agreements	541,559	-	-	541,559
Total Other Liabilities	<u>62,594,664</u>	<u>42,024,780</u>	<u>-</u>	<u>104,619,444</u>
Total Liabilities	70,537,257	45,179,959	-	115,717,216
NET ASSETS				
Without Donor Restriction	48,558,371	10,851,704	-	59,410,075
With Donor Restriction	1,195,031	122,352	-	1,317,383
Total Net Assets	<u>49,753,402</u>	<u>10,974,056</u>	<u>-</u>	<u>60,727,458</u>
Total Liabilities and Net Assets	<u>\$ 120,290,659</u>	<u>\$ 56,154,015</u>	<u>\$ -</u>	<u>\$ 176,444,674</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Total
OPERATING REVENUES				
Service Fees	\$ 21,098,124	\$ 15,685,002	\$ -	\$ 36,783,126
Health Center Revenue, Net	8,120,688	-	-	8,120,688
Entrance Fees Earned	7,121,786	27,059	-	7,148,845
Transfer Fees	-	1,047,450	-	1,047,450
Contributions	37,892	81,924	-	119,816
Investment Income	1,972,736	56,853	-	2,029,589
Other Revenue	505,338	1,026,611	-	1,531,949
Subtotal	38,856,564	17,924,899	-	56,781,463
Net Assets Released from Restrictions	763,375	271,319	-	1,034,694
Total Operating Revenue	39,619,939	18,196,218	-	57,816,157
OPERATING EXPENSES				
Program Expenses:				
Dietary	5,313,639	4,275,360	-	9,588,999
Facility Services and Utilities	6,050,731	4,579,502	-	10,630,233
Health and Social Services	5,717,094	-	-	5,717,094
Memory Care	782,992	-	-	782,992
Assisted Living	1,140,326	1,471,591	-	2,611,917
General and Administrative Expenses:				
Administrative and Marketing	3,918,673	3,656,583	-	7,575,256
Interest Expense and Financing Fees	898,975	2,212,128	-	3,111,103
Depreciation	5,539,134	1,780,329	-	7,319,463
Disbursement of Contributed Funds	767,620	298,816	-	1,066,436
Loss on Disposal of Property and Equipment	389,210	41,050	-	430,260
Other Expenses	475,582	444,568	-	920,150
Fees to Affiliates	2,481,863	639,577	-	3,121,440
Total Operating Expenses	33,475,839	19,399,504	-	52,875,343
OPERATING INCOME	6,144,100	(1,203,286)	-	4,940,814
NONOPERATING INCOME (LOSS)				
Contributed Property and Equipment	-	2,370,000	-	2,370,000
Unrealized Change in Value of Investments	2,470,010	22,005	-	2,492,015
Loss on Extinguishment of Debt	(129,919)	(321,464)	-	(451,383)
Total Nonoperating Income	2,340,091	2,070,541	-	4,410,632
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	8,484,191	867,255	-	9,351,446
NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	514,254	279,981	-	794,235
Net Assets Released from Restrictions	(763,375)	(271,319)	-	(1,034,694)
Change in Net Assets With Donor Restrictions	(249,121)	8,662	-	(240,459)
CHANGE IN NET ASSETS	8,235,070	875,917	-	9,110,987
Net Assets - Beginning of Year	49,753,402	10,974,056	-	60,727,458
NET ASSETS - END OF YEAR	\$ 57,988,472	\$ 11,849,973	\$ -	\$ 69,838,445

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Total
OPERATING REVENUES				
Service Fees	\$ 19,781,012	\$ 15,281,070	\$ -	\$ 35,062,082
Health Center Revenue, Net	7,491,103	-	-	7,491,103
Entrance Fees Earned	7,473,686	5,770	-	7,479,456
Transfer Fees	-	753,715	-	753,715
Contributions	81,610	37,361	-	118,971
Investment Income	4,457,801	132,928	-	4,590,729
Other Revenue	361,271	902,335	-	1,263,606
Subtotal	39,646,483	17,113,179	-	56,759,662
Net Assets Released from Restrictions	432,374	232,963	-	665,337
Total Operating Revenue	40,078,857	17,346,142	-	57,424,999
OPERATING EXPENSES				
Program Expenses:				
Dietary	5,368,658	4,232,994	-	9,601,652
Facility Services and Utilities	6,723,020	4,527,223	-	11,250,243
Health and Social Services	5,523,729	-	-	5,523,729
Memory Care	761,333	-	-	761,333
Assisted Living	1,182,574	1,683,623	-	2,866,197
General and Administrative Expenses:				
Administrative and Marketing	3,783,984	4,416,353	-	8,200,337
Interest Expense and Financing Fees	1,153,328	2,829,310	-	3,982,638
Net Settlements Associated with Interest Rate Swap Agreement	(102,404)	-	-	(102,404)
Depreciation	5,220,389	1,605,302	-	6,825,691
Disbursement of Contributed Funds	448,792	257,830	-	706,622
Loss on Disposal of Property and Equipment	78,379	70,950	-	149,329
Other Expense	481,774	488,130	-	969,904
Fees to Affiliates	2,433,898	528,357	-	2,962,255
Total Operating Expenses	33,057,454	20,640,072	-	53,697,526
OPERATING INCOME (LOSS)	7,021,403	(3,293,930)	-	3,727,473
NONOPERATING INCOME (LOSS)				
Contributed Property and Equipment	-	1,487,000	-	1,487,000
Unrealized Change in Value of Investments	1,625,179	421,403	-	2,046,582
Change in Value of Interest Rate Swap Agreement	(459,960)	-	-	(459,960)
Total Nonoperating Income	1,165,219	1,908,403	-	3,073,622
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	8,186,622	(1,385,527)	-	6,801,095
NET ASSETS WITH DONOR RESTRICTION				
Contributions	444,993	245,438	-	690,431
Net Assets Released from Restrictions	(432,374)	(232,963)	-	(665,337)
Change in Net Assets With Donor Restrictions	12,619	12,475	-	25,094
CHANGE IN NET ASSETS	8,199,241	(1,373,052)	-	6,826,189
Net Assets - Beginning of Year	41,554,161	12,347,108	-	53,901,269
NET ASSETS - END OF YEAR	<u>\$ 49,753,402</u>	<u>\$ 10,974,056</u>	<u>\$ -</u>	<u>\$ 60,727,458</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in Net Assets	\$ 8,235,070	\$ 875,917	\$ -	\$ 9,110,987
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:				
Depreciation	5,539,134	1,780,329	-	7,319,463
Credit Losses	56,286	898,423	-	954,709
Amortization of Debt Issuance Costs	43,289	-	-	43,289
Amortization of Bond Premium	(91,870)	-	-	(91,870)
Nonrepayable Entrance Fees Received	11,010,900	308,080	-	11,318,980
Nonrepayable Entrance Fees Repaid	(1,087,320)	-	-	(1,087,320)
Entrance Fees Earned	(7,121,786)	(27,059)	-	(7,148,845)
Unrealized Change in Value of Investments	(2,470,010)	(22,005)	-	(2,492,015)
Realized Gain and Reinvested Income on Investments	(1,972,598)	(41,070)	-	(2,013,668)
Noncash Donation	-	(2,370,000)	-	(2,370,000)
Loss on Disposal of Property and Equipment	389,210	41,050	-	430,260
Loss on Extinguishment of Debt	129,919	321,464	-	451,383
Net Change in:				
Accounts Receivable	86,850	(857,971)	-	(771,121)
Supplies and Prepaid Expenses	(96,208)	(15,394)	-	(111,602)
Accounts Payable and Accrued Expenses	2,562,490	(1,636)	-	2,560,854
Accrued Interest	1,663,027	855,426	-	2,518,453
Due to Affiliates	13,628	(120,742)	-	(107,114)
Refundable Deposits	631,510	(5,298)	-	626,212
Other Current Liabilities	1,425	(322)	-	1,103
Net Cash Provided by Operating Activities	17,522,946	1,619,192	-	19,142,138
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of Property and Equipment	(34,411,784)	(2,058,794)	-	(36,470,578)
Proceeds from Sale of Property and Equipment	-	19,596	-	19,596
Purchases of Investments	(1,260,784)	(655,091)	-	(1,915,875)
Proceeds from Sale of Investments	4,823,569	1,279,748	-	6,103,317
Change in Assets Restricted under Bond Indenture Agreements, Net	(35,858,813)	-	-	(35,858,813)
Change in Receivables from Members, Noncurrent	-	135,622	-	135,622
Net Cash Used by Investing Activities	(66,707,812)	(1,278,919)	-	(67,986,731)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Long-Term Debt	(19,987,324)	(42,169,082)	-	(62,156,406)
Issuance of Long-Term Debt	77,183,317	41,832,964	-	119,016,281
Interest Rate Swap Purchase	(541,559)	-	-	(541,559)
Repayable Entrance Fees Received	-	1,232,320	-	1,232,320
Payments of Bond Issuance Costs	(2,105,331)	-	-	(2,105,331)
Net Cash Provided by Financing Activities	54,549,103	896,202	-	55,445,305
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	5,364,237	1,236,475	-	6,600,712
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	3,215,896	2,755,334	-	5,971,230
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 8,580,133</u>	<u>\$ 3,991,809</u>	<u>\$ -</u>	<u>\$ 12,571,942</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Total
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash and Cash Equivalents	\$ 4,599,848	\$ 3,976,330	\$ -	\$ 8,576,178
Investments	217,532	15,479	-	233,011
Assets Restricted Under Bond Indenture Agreements	3,762,753	-	-	3,762,753
Cash, Cash Equivalents, and Restricted Cash	<u>\$ 8,580,133</u>	<u>\$ 3,991,809</u>	<u>\$ -</u>	<u>\$ 12,571,942</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash Paid During the Year for Interest	<u>\$ 1,731,773</u>	<u>\$ 1,356,702</u>	<u>\$ -</u>	<u>\$ 3,088,475</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES				
Property and Equipment Financed with Accounts Payable and Accrued Expenses	<u>\$ 119,995</u>	<u>\$ 26,636</u>	<u>\$ -</u>	<u>\$ 146,631</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in Net Assets	\$ 8,199,241	\$ (1,373,052)	\$ -	\$ 6,826,189
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:				
Depreciation	5,220,389	1,605,302	-	6,825,691
Credit Losses	27,045	659,096	-	686,141
Amortization of Debt Issuance Costs	80,161	15,845	-	96,006
Change in Value of Interest Rate Swap Agreement	459,960	-	-	459,960
Nonrepayable Entrance Fees Received	8,124,400	78,880	-	8,203,280
Nonrepayable Entrance Fees Repaid	(25,111)	-	-	(25,111)
Entrance Fees Earned	(7,473,686)	(5,770)	-	(7,479,456)
Unrealized Change in Value of Investments	(1,625,179)	(421,403)	-	(2,046,582)
Realized (Gain) Loss and Reinvested Income on Investments	(4,457,799)	806	-	(4,456,993)
Noncash Donation	-	(1,487,000)	-	(1,487,000)
Loss on Disposal of Property and Equipment	78,379	70,950	-	149,329
Net Change in:				
Accounts Receivable	(366,583)	(407,993)	-	(774,576)
Supplies and Prepaid Expenses	91,817	218,140	-	309,957
Accounts Payable and Accrued Expenses	(105,146)	393,026	-	287,880
Accrued Interest	(17,294)	(9,623)	-	(26,917)
Due to Affiliates	85,334	110,928	-	196,262
Refundable Deposits	27,580	(5,550)	-	22,030
Other Current Liabilities	5,657	500	-	6,157
Net Cash Provided (Used) by Operating Activities	8,329,165	(556,918)	-	7,772,247
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of Property and Equipment	(7,223,441)	(4,380,252)	-	(11,603,693)
Proceeds from Sale of Property and Equipment	-	196,872	-	196,872
Purchases of Investments	(908,058)	(52,549)	-	(960,607)
Proceeds from Sale of Investments	2,359,479	4,835,500	-	7,194,979
Change in Receivables from Members, Noncurrent	-	27,698	-	27,698
Net Cash Provided (Used) by Investing Activities	(5,772,020)	627,269	-	(5,144,751)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Long-Term Debt	(1,652,001)	(1,002,594)	-	(2,654,595)
Repayable Entrance Fees Received	-	709,920	-	709,920
Payments for Bond Issuance Costs	(107,500)	-	-	(107,500)
Net Cash Used by Financing Activities	(1,759,501)	(292,674)	-	(2,052,175)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	797,644	(222,323)	-	575,321
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	2,418,252	2,977,657	-	5,395,909
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 3,215,896</u>	<u>\$ 2,755,334</u>	<u>\$ -</u>	<u>\$ 5,971,230</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Total
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash and Cash Equivalents	\$ 2,666,820	\$ 2,749,511	\$ -	\$ 5,416,331
Investments	334,287	5,823	-	340,110
Assets Restricted Under Bond Indenture Agreements	214,789	-	-	214,789
Cash, Cash Equivalents, and Restricted Cash	<u>\$ 3,215,896</u>	<u>\$ 2,755,334</u>	<u>\$ -</u>	<u>\$ 5,971,230</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash Paid During the Year for Interest	<u>\$ 1,090,461</u>	<u>\$ 2,823,088</u>	<u>\$ -</u>	<u>\$ 3,913,549</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES				
Property and Equipment Financed with Accounts Payable and Accrued Expenses	<u>\$ 675,855</u>	<u>\$ 89,929</u>	<u>\$ -</u>	<u>\$ 765,784</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS – DIRECT METHOD
YEAR ENDED SEPTEMBER 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Services Fees	\$ 21,241,260	\$ -	\$ -	\$ 21,241,260
Receipts from Health Center	8,120,688	-	-	8,120,688
Net Receipts from Nonrepayable Entrance Fees	9,923,580	308,080	-	10,231,660
Cash Received from Members - Monthly Fees	-	15,725,454	-	15,725,454
Cash Received from Members - Transfer Fees	-	1,047,450	-	1,047,450
Interest Paid (Excluding Capitalized Interest)	715,471	(1,356,702)	-	(641,231)
Receipts from Other Operating Activities	1,820,859	1,659,835	-	3,480,694
Cash Expended for Operating Activities	(23,405,756)	(15,187,925)	-	(38,593,681)
Investment and Interest Income	(893,156)	(577,000)	-	(1,470,156)
Net Cash Provided by Operating Activities	17,522,946	1,619,192	-	19,142,138
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of Property and Equipment	(34,411,784)	(2,058,794)	-	(36,470,578)
Proceeds from Sale of Property and Equipment	-	19,596	-	19,596
Purchases of Investments	(1,260,784)	(655,091)	-	(1,915,875)
Proceeds from Sale of Investments	4,823,569	1,279,748	-	6,103,317
Change in Receivables from Members, Noncurrent	-	135,622	-	135,622
Net Cash Used by Investing Activities	(66,707,812)	(1,278,919)	-	(67,986,731)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Long-Term Debt	(19,987,324)	(42,169,082)	-	(62,156,406)
Issuance of Long-Term Debt	77,183,317	41,832,964	-	119,016,281
Interest Rate Swap Purchase	(541,559)	-	-	(541,559)
Repayable Entrance Fees Received	-	1,232,320	-	1,232,320
Payments of Bond Issuance Costs	(2,105,331)	-	-	(2,105,331)
Net Cash Provided by Financing Activities	54,549,103	896,202	-	55,445,305
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	5,364,237	1,236,475	-	6,600,712
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	3,215,896	2,755,334	-	5,971,230
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 8,580,133	\$ 3,991,809	\$ -	\$ 12,571,942

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS – DIRECT METHOD (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Total
RECONCILIATION OF CHANGE IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES				
Change in Net Assets	\$ 8,235,070	\$ 875,917	\$ -	\$ 9,110,987
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:				
Depreciation	5,539,134	1,780,329	-	7,319,463
Credit Losses	56,286	898,423	-	954,709
Amortization of Debt Issuance Costs	43,289	-	-	43,289
Amortization of Bond Premium	(91,870)	-	-	(91,870)
Nonrepayable Entrance Fees Received	11,010,900	308,080	-	11,318,980
Nonrepayable Entrance Fees Repaid	(1,087,320)	-	-	(1,087,320)
Entrance Fees Earned	(7,121,786)	(27,059)	-	(7,148,845)
Unrealized Change in Value of Investments	(2,470,010)	(22,005)	-	(2,492,015)
Realized Gain and Reinvested Income on Investments	(1,972,598)	(41,070)	-	(2,013,668)
Loss on Disposal of Property and Equipment	389,210	41,050	-	430,260
Loss on Extinguishment of Debt	129,919	321,464	-	451,383
Net Change in:				
Accounts Receivable	86,850	(857,971)	-	(771,121)
Supplies and Prepaid Expenses	(96,208)	(15,394)	-	(111,602)
Gift Annuities	-	-	-	-
Accounts Payable and Accrued Expenses	2,562,490	(1,636)	-	2,560,854
Accrued Interest	1,663,027	855,426	-	2,518,453
Due to Affiliates	13,628	(120,742)	-	(107,114)
Refundable Deposits	631,510	(5,298)	-	626,212
Other Current Liabilities	1,425	(322)	-	1,103
Net Cash Provided by Operating Activities	<u>\$ 17,522,946</u>	<u>\$ 1,619,192</u>	<u>\$ -</u>	<u>\$ 19,142,138</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS – DIRECT METHOD
YEAR ENDED SEPTEMBER 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Services Fees	\$19,441,474	\$ -	\$ -	\$ 19,441,474
Receipts from Health Center	7,491,103	-	-	7,491,103
Net Receipts from Nonrepayable Entrance Fees	8,099,289	78,880	-	8,178,169
Cash Received from Members - Monthly Fees	-	15,532,173	-	15,532,173
Cash Received from Members - Transfer Fees	-	753,715	-	753,715
Interest Paid (Excluding Capitalized Interest)	(988,057)	(2,823,088)	-	(3,811,145)
Receipts from Other Operating Activities	1,320,248	1,418,097	-	2,738,345
Cash Expended for Operating Activities	(26,602,520)	(15,417,466)	-	(42,019,986)
Investment and Interest Income	(432,372)	(99,229)	-	(531,601)
Net Cash Provided (Used) by Operating Activities	8,329,165	(556,918)	-	7,772,247
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of Property and Equipment	(7,223,441)	(4,380,252)	-	(11,603,693)
Proceeds from Sale of Property and Equipment	-	196,872	-	196,872
Purchases of Investments	(908,058)	(52,549)	-	(960,607)
Proceeds from Sale of Investments	2,359,479	4,835,500	-	7,194,979
Change in Receivables from Members, Noncurrent	-	27,698	-	27,698
Net Cash Provided (Used) by Investing Activities	(5,772,020)	627,269	-	(5,144,751)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Long-Term Debt	(1,652,001)	(1,002,594)	-	(2,654,595)
Repayable Entrance Fees Received	-	709,920	-	709,920
Payments for Bond issuance costs	(107,500)	-	-	(107,500)
Net Cash Used by Financing Activities	(1,759,501)	(292,674)	-	(2,052,175)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	797,644	(222,323)	-	575,321
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	2,418,252	2,977,657	-	5,395,909
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 3,215,896</u>	<u>\$ 2,755,334</u>	<u>\$ -</u>	<u>\$ 5,971,230</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS – DIRECT METHOD (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Total
RECONCILIATION OF CHANGE IN NET ASSETS TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Change in Net Assets	\$ 8,199,241	\$ (1,373,052)	\$ -	\$ 6,826,189
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:				
Depreciation	5,220,389	1,605,302	-	6,825,691
Credit Losses	27,045	659,096	-	686,141
Amortization of Debt Issuance Costs	80,161	15,845	-	96,006
Change in Value of Interest Rate Swap Agreement	459,960	-	-	459,960
Nonrepayable Entrance Fees Received	8,124,400	78,880	-	8,203,280
Nonrepayable Entrance Fees Repaid	(25,111)	-	-	(25,111)
Entrance Fees Earned	(7,473,686)	(5,770)	-	(7,479,456)
Unrealized Change in Value of Investments	(1,625,179)	(421,403)	-	(2,046,582)
Realized (Gain) Loss and Reinvested Income on Investments	(4,457,799)	806	-	(4,456,993)
Noncash Donation	-	(1,487,000)	-	(1,487,000)
Loss on Disposal of Property and Equipment	78,379	70,950	-	149,329
Net Change in:				
Accounts Receivable	(366,583)	(407,993)	-	(774,576)
Supplies and Prepaid Expenses	91,817	218,140	-	309,957
Accounts Payable and Accrued Expenses	(105,146)	393,026	-	287,880
Accrued Interest	(17,294)	(9,623)	-	(26,917)
Due to Affiliates	85,334	110,928	-	196,262
Refundable Deposits	27,580	(5,550)	-	22,030
Other Current Liabilities	5,657	500	-	6,157
Net Cash Provided (Used) by Operating Activities	<u>\$ 8,329,165</u>	<u>\$ (556,918)</u>	<u>\$ -</u>	<u>\$ 7,772,247</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
STATEMENT OF PATIENT REVENUE – UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
(PATIENT REVENUE BY PAYER AND REVENUE CENTER)
YEAR ENDED SEPTEMBER 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

Line No.	GROSS REVENUE	Account Number	Medicare				Medi-Cal				Commercial Coverage				Line No.
			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	
5	Routine Services: Skilled Nursing Care	3100	2,898,519		589,102									5	
10	Intermediate Care	3200												10	
15	Mentally Disordered Care	3300												15	
20	Developmentally Disabled Care	3400												20	
25	Sub-Acute Care	3500												25	
30	Sub-Acute Care - Pediatric	3520												30	
35	Transitional Inpatient Care	3560												35	
40	Hospice Inpatient Care	3600												40	
45	Other Routine Services	3900												45	
70	Subtotal (Lines 5 through 45)		2,898,519		589,102									70	
105	Ancillary Services: Patient Supplies	4100	28,880		7,676									105	
110	Specialized Support Surfaces	4150												110	
115	Physical Therapy	4200	218,511	338,319	62,312	38,347								115	
120	Respiratory Therapy	4220	1,224		144									120	
125	Occupational Therapy	4250	136,060	88,337	40,415	8,913								125	
130	Speech Pathology	4280	69,584	44,414	2,544	9,361								130	
135	Pharmacy	4300	164,423		47,358									135	
140	Laboratory	4400	26,718		7,001									140	
145	Home Health Services	4800												145	
155	Other Ancillary Services	4900	39,851		9,292									155	
170	Subtotal (Lines 105 through 155)		685,251	471,070	176,742	56,621								170	
175	Total Gross Revenue (Line 70 + 170)		3,583,770	471,070	765,844	56,621								175	

Line No.	DEDUCTIONS FROM REVENUE	Account Number	Medicare				Medi-Cal				Commercial Coverage				Line No.
			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												205	
210	Administrative Adjustments	5200												210	
215	Contractual Adjustments - Medicare	5310	685,120	119,017	170,731	18,502								215	
220	Contractual Adjustments - Medi-Cal	5320												220	
222	Contractual Adjustments - Commercial Coverage	5330												222	
225	Contractual Adjustments - Other	5340												225	
230	Other Deductions from Revenue	5400												230	
240	Total Deductions from Revenue		685,120	119,017	170,731	18,502								240	
250	Net Patient Revenue (line 175 - 240)		2,898,650	352,053	595,113	38,119								250	

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
STATEMENT OF PATIENT REVENUE – UNIVERSITY RETIREMENT COMMUNITY AT DAVIS (CONTINUED)
(PATIENT REVENUE BY PAYER AND REVENUE CENTER)
YEAR ENDED SEPTEMBER 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

Line No.	GROSS REVENUE	Account Number	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)	
	Routine Services:									
5	Skilled Nursing Care	3100	4,122,484				7,610,105		7,610,105	5
10	Intermediate Care	3200					0		0	10
15	Mentally Disordered Care	3300					0		0	15
20	Developmentally Disabled Care	3400					0		0	20
25	Sub-Acute Care	3500					0		0	25
30	Sub-Acute Care - Pediatric	3520					0		0	30
35	Transitional Inpatient Care	3560					0		0	35
40	Hospice Inpatient Care	3600					0		0	40
45	Other Routine Services	3900					0		0	45
70	Subtotal (Lines 5 through 45)		4,122,484				7,610,105		7,610,105	70
	Ancillary Services:									
105	Patient Supplies	4100	63,285				99,841	0	99,841	105
110	Specialized Support Surfaces	4150					0	0	0	110
115	Physical Therapy	4200	56,464	26,900			337,287	403,566	740,853	115
120	Respiratory Therapy	4220	953				2,321	0	2,321	120
125	Occupational Therapy	4250	12,350	6,394			188,825	103,644	292,469	125
130	Speech Pathology	4280	294				72,422	53,775	126,197	130
135	Pharmacy	4300	6,717				218,498	0	218,498	135
140	Laboratory	4400	2,488				36,207	0	36,207	140
145	Home Health Services	4800								145
155	Other Ancillary Services	4900	3,963				53,106	0	53,106	155
170	Subtotal (Lines 105 through 155)		146,514	33,294			1,008,507	560,985	1,569,492	170
175	Total Gross Revenue (Line 70 + 170)		4,268,998	33,294			8,618,612	560,985	9,179,597	175

Line No.	DEDUCTIONS FROM REVENUE	Account Number	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	Charity Adjustments	5100					0	0	0	205
210	Administrative Adjustments	5200					0	0	0	210
215	Contractual Adjustments - Medicare	5310					855,851	137,519	993,370	215
220	Contractual Adjustments - Medi-Cal	5320					0	0	0	220
222	Contractual Adjustments - Commercial Coverage	5330					0	0	0	222
225	Contractual Adjustments - Other	5340					0	0	0	225
230	Other Deductions from Revenue	5400					0	0	0	230
240	Total Deductions from Revenue		0	0			855,851	137,519	993,370	240
250	Net Patient Revenue (line 175 - 240)		4,268,998	33,294			7,762,761	423,466	8,186,227	250

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
STATEMENT OF PATIENT REVENUE – UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
(PATIENT REVENUE BY PAYER AND REVENUE CENTER)
YEAR ENDED SEPTEMBER 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

Line No.	GROSS REVENUE	Account Number	Medicare				Medi-Cal				Commercial Coverage				Line No.
			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	2,625,398		536,068										5
10	Intermediate Care	3200													10
15	Mentally Disordered Care	3300													15
20	Developmentally Disabled Care	3400													20
25	Sub-Acute Care	3500													25
30	Sub-Acute Care - Pediatric	3520													30
35	Transitional Inpatient Care	3560													35
40	Hospice Inpatient Care	3600													40
45	Other Routine Services	3900													45
70	Subtotal (Lines 5 through 45)		2,625,398		536,068										70
	Ancillary Services:														
105	Patient Supplies	4100	12,181		2,366										105
110	Specialized Support Surfaces	4150													110
115	Physical Therapy	4200	218,858	209,674	62,695	24,030									115
120	Respiratory Therapy	4220													120
125	Occupational Therapy	4250	145,354	66,713	43,576	7,565									125
130	Speech Pathology	4280	87,780	13,376	11,153	1,557									130
135	Pharmacy	4300	157,428		38,704										135
140	Laboratory	4400	19,246		5,312										140
145	Home Health Services	4800													145
155	Other Ancillary Services	4900	56,844		9,491										155
170	Subtotal (Lines 105 through 155)		697,691	289,763	173,297	33,152									170
175	Total Gross Revenue (Line 70 + 170)		3,323,089	289,763	709,365	33,152									175

Line No.	DEDUCTIONS FROM REVENUE	Account Number	Medicare				Medi-Cal				Commercial Coverage				Line No.
			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													205
210	Administrative Adjustments	5200													210
215	Contractual Adjustments - Medicare	5310	695,576	70,776	157,465	13,135									215
220	Contractual Adjustments - Medi-Cal	5320													220
222	Contractual Adjustments - Commercial Coverage	5330													222
225	Contractual Adjustments - Other	5340													225
230	Other Deductions from Revenue	5400													230
240	Total Deductions from Revenue		695,576	70,776	157,465	13,135									240
250	Net Patient Revenue (line 175 - 240)		2,627,513	218,987	551,900	20,017									250

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
STATEMENT OF PATIENT REVENUE – UNIVERSITY RETIREMENT COMMUNITY AT DAVIS (CONTINUED)
(PATIENT REVENUE BY PAYER AND REVENUE CENTER)
YEAR ENDED SEPTEMBER 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

Line No.	GROSS REVENUE	Account Number	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)	
	Routine Services:									
5	Skilled Nursing Care	3100	3,943,096				7,104,562		7,104,562	5
10	Intermediate Care	3200					0		0	10
15	Mentally Disordered Care	3300					0		0	15
20	Developmentally Disabled Care	3400					0		0	20
25	Sub-Acute Care	3500					0		0	25
30	Sub-Acute Care - Pediatric	3520					0		0	30
35	Transitional Inpatient Care	3560					0		0	35
40	Hospice Inpatient Care	3600					0		0	40
45	Other Routine Services	3900					0		0	45
70	Subtotal (Lines 5 through 45)		3,943,096				7,104,562		7,104,562	70
	Ancillary Services:									
105	Patient Supplies	4100	36,403				50,950	0	50,950	105
110	Specialized Support Surfaces	4150					0	0	0	110
115	Physical Therapy	4200	19,935	18,736			301,488	252,440	553,928	115
120	Respiratory Therapy	4220					0	0	0	120
125	Occupational Therapy	4250	9,460	3,351			198,390	77,629	276,019	125
130	Speech Pathology	4280	20,797				119,730	14,933	134,663	130
135	Pharmacy	4300	7,615				203,747	0	203,747	135
140	Laboratory	4400	1,364				25,922	0	25,922	140
145	Home Health Services	4800								145
155	Other Ancillary Services	4900	25,835				92,170	0	92,170	155
170	Subtotal (Lines 105 through 155)		121,409	22,087			992,397	345,002	1,337,399	170
175	Total Gross Revenue (Line 70 + 170)		4,064,505	22,087			8,096,959	345,002	8,441,961	175

Line No.	DEDUCTIONS FROM REVENUE	Account Number	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	Charity Adjustments	5100					0	0	0	205
210	Administrative Adjustments	5200					0	0	0	210
215	Contractual Adjustments - Medicare	5310					853,041	83,911	936,952	215
220	Contractual Adjustments - Medi-Cal	5320					0	0	0	220
222	Contractual Adjustments - Commercial Coverage	5330					0	0	0	222
225	Contractual Adjustments - Other	5340	25,785				25,785	0	25,785	225
230	Other Deductions from Revenue	5400					0	0	0	230
240	Total Deductions from Revenue		25,785				878,826	83,911	962,737	240
250	Net Patient Revenue (line 175 - 240)		4,038,720				7,218,133	261,091	7,479,224	250

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
STATEMENT OF PATIENT REVENUE – UNIVERSITY RETIREMENT COMMUNITY AT DAVIS (CONTINUED)
(PATIENT REVENUE BY PAYER AND REVENUE CENTER)
YEAR ENDED SEPTEMBER 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

The following is a reconciliation of the statement of patient revenue to the amounts reported on the cost report submitted to the California Department of Health Care:

	Skilled Nursing Care			
	Routine Services	Ancillary Services	Contractual Adjustments	Total
Reported on Statement of Patient Revenues and Operating Expenses per Cost Report	\$ 7,156,846	\$ 1,268,943	\$ (946,565)	\$ 7,479,224
Reported on the Statement of Patient Revenue	7,104,562	1,337,399	(962,737)	7,479,224
Net Change	<u>\$ 52,284</u>	<u>\$ (68,456)</u>	<u>\$ 16,172</u>	<u>\$ -</u>



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

BAY AREA SENIOR SERVICES, INC.
CONTINUING CARE LIQUID RESERVE SCHEDULES
YEAR ENDED SEPTEMBER 30, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**BAY AREA SENIOR SERVICES, INC.
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2025**

INDEPENDENT AUDITORS' REPORT	1
CONTINUING CARE LIQUID RESERVE SCHEDULES	
FORM 5-1, LONG-TERM DEBT INCURRED IN A PRIOR FISCAL YEAR	4
FORM 5-2, LONG-TERM DEBT INCURRED DURING FISCAL YEAR	5
FORM 5-3, CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT	6
FORM 5-4, CALCULATION OF NET OPERATING EXPENSES	7
FORM 5-5, ANNUAL RESERVE CERTIFICATION	8
FORM 5-5, NOTE TO RESERVE REPORTS	9
SUPPLEMENTARY SCHEDULES	
PART OF FORM 5-5, DESCRIPTION OF RESERVES AND ADDITIONAL DISCLOSURES (SECTION 1790)	10
SCHEDULE OF INTEREST, CREDIT ENHANCEMENTS (LETTER OF CREDIT FEES AND OTHER FEES), RECONCILIATION TO AUDIT REPORT	11
PART OF FORM 5-4, NON-CCRC REVENUE RECONCILIATION	12



INDEPENDENT AUDITORS' REPORT

Board of Directors
Bay Area Senior Services, Inc.
Medford, Oregon

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Bay Area Senior Services, Inc. (BASS), which comprise the continuing care liquid reserve schedules, Form 5-1 through Form 5-5, as of and for the year ended September 30, 2025.

In our opinion, the financial statements referred to above present fairly, in all material respects, the continuing care reserves of Bay Area Senior Services, Inc. as of and for the year ended September 30, 2025, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibility

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 auditors' 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 Bay Area Senior Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bay Area Senior Services, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements, as a whole. The accompanying supplementary schedules of Part of Form 5-5, Description of Reserves and Additional Disclosures (Section 1790), Schedule of Interest, Credit Enhancements (letter of credit fees and other fees), Reconciliation to Audit Report, Part of Form 5-4, Non-CCRC Revenue Reconciliation, presented as supplementary schedules, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements, taken as a whole.

Board of Directors
Bay Area Senior Services, Inc.

Restriction on Use

Our report is intended solely for the information and use of the board of directors and management of BASS and for filing with the California Department of Social Services and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lake Oswego, Oregon
January 27, 2026

BAY AREA SENIOR SERVICES, INC.
FORM 5-1, LONG-TERM DEBT INCURRED IN A PRIOR FISCAL YEAR
YEAR ENDED SEPTEMBER 30, 2025

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

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Interest Paid During Fiscal Year	(d) Credit Enhancement Premiums Paid in Fiscal Year	(e) Total Paid (columns (b) + (c) + (d))
1	7/28/2021	\$ -	\$ 335,312	\$ -	\$ 335,312
2					
3					-
4					-
5					-
6					-
7					-
8					
TOTAL			\$ 335,312	\$ -	\$ 335,312

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

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

NOTE: The debt obligation in line 1 was fully paid off during the fiscal year and replaced with the debt obligation as displayed in Form 5-2. Debt service payments in the schedule above represent actual payments made on the debt obligations prior to refinancing and do not include the full payout of the obligation (\$41,916,956).

PROVIDER: Bay Area Senior Services, Inc

FORM 5-1

See accompanying Note to Reserve Reports.

BAY AREA SENIOR SERVICES, INC.
FORM 5-2, LONG-TERM DEBT INCURRED DURING FISCAL YEAR
YEAR ENDED SEPTEMBER 30, 2025

FORM 5-2
LONG-TERM DEBT INCURRED
During Fiscal Year
(Including Balloon Debt)

Long-Term Debt Obligation	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1	10/1/2024	\$ 1,017,891	\$ 1,330,817	2	\$ 2,661,634
2					
3					
4					
5					
6					
7					
8					
		\$ 1,017,891	\$ 1,330,817	2	\$ 2,661,634

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

PROVIDER: Bay Area Senior Services, Inc

Form 5-2

See accompanying Note to Reserve Reports.

BAY AREA SENIOR SERVICES, INC.
FORM 5-3, CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT
YEAR ENDED SEPTEMBER 30, 2025

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

LINE		TOTAL
1	Total from Form 5-1 bottom of column (e)	\$ 335,312
2	Total from Form 5-2 bottom of Column (e)	2,661,634
3	Facility leasehold or rental payment paid by provider during fiscal year. (including related payments such as lease insurance)	- *
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	\$ 2,996,946

* The amount listed on line 3 is the outstanding amount due to the lessor as of 09/30/2025
and not the amount of leasehold payments paid during the fiscal year.

PROVIDER: Bay Area Senior Services, Inc

Form 5-3

See accompanying Note to Reserve Reports.

BAY AREA SENIOR SERVICES, INC.
FORM 5-4, CALCULATION OF NET OPERATING EXPENSES
YEAR ENDED SEPTEMBER 30, 2025

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

	Amounts	TOTAL
1	Total operating expenses from financial statements	\$ 19,399,504
2	Deductions	
	a Interest paid on long-term debt (see instructions)	1,356,702
	b Credit enhancement premiums paid for long-term debt (see instructions)	-
	c Depreciation	1,780,329
	d Amortization	-
	e Revenues received during the fiscal year for services to residents who did not have continuing care contract	129,429
	f Extraordinary expenses approved by the Department	-
3	Total Deductions	3,266,460
4	Net Operating Expenses	16,133,044
5	Divide Line 4 by 365 and enter the result.	44,200
6	Multiply Line 5 by 75 and enter the result.	\$ 3,315,000
	This is the provider's operating expense reserve amount for this community.	

PROVIDER: Bay Area Senior Services, Inc

COMMUNITY: The Peninsula Regent

See accompanying Note to Reserve Reports.

**BAY AREA SENIOR SERVICES, INC.
FORM 5-5, ANNUAL RESERVE CERTIFICATION
YEAR ENDED SEPTEMBER 30, 2025**

**FORM 5-5
ANNUAL RESERVE CERTIFICATION**

Provider Name: Bay Area Senior Services, Inc
Fiscal Year Ended: September 30, 2025

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the fiscal year ended September 30, 2025. Bay Area Senior Services is part of an obligated group with University Retirement Community. The obligated group has sufficient reserves to cover the deficiency. In addition, Pacific Retirement Services, the co-provider has reserves.

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

	<u>Amount</u>
[1] Debt Service Reserve Amount	\$ 2,996,946
[2] Operating Expense Reserve Amount	<u>3,315,000</u>
[3] Total Liquid Reserve Amount:	<u>\$ 6,311,946</u>

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

Qualifying Asset Description		Amount (market value at end of quarter)	
		Debt Service Reserve	Operating Reserve
Description			
[4] Cash and Cash Equivalents		\$ 3,991,809	\$ -
[5] Investment Securities		-	-
[6] Equity Securities		-	221,492
[7] Unused/Available Lines of Credit		-	-
[8] Unused/Available Letters of Credit		-	-
[9] Debt Service Reserve		-	-
[10] Other:			
Fixed Income Securities		-	660,618
Large/Mid/Small Cap Growth/Value		-	-
Deposit Account		-	-
(describe qualify asset)			
Total Amount of Qualifying Assets Listed for Reserve Obligation:	[11]	<u>\$ 3,991,809</u>	[12] <u>\$ 882,110</u>
Reserve Obligation Amount:	[13]	<u>\$ 2,996,946</u>	[14] <u>\$ 3,315,000</u>
Surplus/(Deficiency):	[15]	<u>\$ 994,863</u>	[16] <u>\$ (2,432,890)</u>

Signature: 
(Authorized Representative)

Date: 1/27/2026

VP of Accounting

Form 5-5

See accompanying Note to Reserve Reports.

**BAY AREA SENIOR SERVICES, INC.
FORM 5-5, NOTE TO RESERVE REPORTS
SEPTEMBER 30, 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 Bass Area Senior Services, Inc.'s assets, liabilities, revenues, and expenses.

Bay Area Senior Services, Inc
DSS - Reserve Report - Part of Form 5-5
Description of Reserves and Additional Disclosures (Section 1790)

Per the September 2025 audit, the BASS Reserves listed above are liquid and available for use as needed. There are no restrictions on the funds listed above.

(10)

BAY AREA SENIOR SERVICES, INC.
SCHEDULE OF INTEREST, CREDIT ENHANCEMENTS (LETTER OF CREDIT FEES AND OTHER
FEES), RECONCILIATION TO AUDIT REPORT
YEAR ENDED SEPTEMBER 30, 2025

Bay Area Senior Services, Inc
FYE 2025 Schedule of Interest, Credit Enhancements (LOC Fees), and Other Fees
Reconciliation to Audit Report
September 30, 2025

Interest - Series 2021	\$ 112,047	Form 1-2 (1b)
Interest - Series 2024	2,096,581	
Other	3,500	
Amortization	-	Form 5-4, (2d)
Total interest expense per audited financials	<u>\$ 2,212,128</u>	

Reconciliation to cash flow		
Less: Amortization	\$ -	
Less: Other non interest	-	
Less: Change in accrued interest	(855,426)	
Total cash paid for interest per audited financials	<u>\$ 1,356,702</u>	<Direct Method

Net settlement on interest rate swap per audited financials	-	
Total interest paid on long-term debt - Per Audit	<u>\$ 1,356,702</u>	Form 5-4, (2a)

Interest Paid to Audit Report	Series 2021	\$ 335,312	Form 5-1, column (c) - Interest Paid FY
	Series 2024	1,017,891	Form 5-2, column (b) - Interest Paid FY
		3,500	Bond fees/other expenses Series 2021
		<u>\$ 1,356,703</u>	

Repayment of Debt to Audit Report	Series 2021	\$ -	Form 5-1, column (b) - Principal Paid FY
		41,916,956	Voluntary repayment of debt
		252,126	Form 5-2, column (c) - Principal Paid FY
		<u>\$ 42,169,082</u>	
	Per Audit	<u>\$ 42,169,082</u>	Repayment of Long-Term Debt
		<u>\$ 42,169,082</u>	

BAY AREA SENIOR SERVICES, INC.
PART OF FORM 5-4, NON-CCRC REVENUE RECONCILIATION
YEAR ENDED SEPTEMBER 30, 2025

Bay Area Senior Services, Inc
Calculation of Net Operating Expenses - Form 5-4
Reconciliation to 2025 Audited Financial Statements
October 2024 - September 2025

<u>LOC Type</u>	<u>Daily Rate</u>	<u># of Days</u>	<u>Estimated Annual Revenue</u>
ALP1			\$ -
	\$ -		-
Total Non-CCRC Assisted Living	Total Non-CCRC service fees		<u><u>\$ -</u></u>
Support and revenue for TPR			
Resident fees and services			\$ 16,113,813
Transfer fees			1,047,450
Non CCRC revenue *			129,429
Services not covered by monthly service fees			848,673
Subtotal			<u>18,139,365</u>
Investment and interest income			<u>56,853</u>
Total operating revenues			<u><u>\$ 18,196,218</u></u>
Expenses for BASS			
Total operating expenses			\$ 19,399,504
Lease expense			-
Total operating expenses Form 5-4 line 1			<u>\$ 19,399,504</u>
Depreciation			1,780,329
Lease expense			
Lease expense per audit			\$ -
Lease expense - Management			-
Total lease expense			-
less payments made			-
Leasehold payments due (Form 5-3, line 3)			<u><u>\$ -</u></u>

BAY AREA SENIOR SERVICES, INC.
PART OF FORM 5-4, NON-CCRC REVENUE RECONCILIATION (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

Non-CCRC revenue *

Non-CCRC monthly fees	\$ -
Catering	34,510
Employee Meals	-
Guest Rooms	54,141
Guest Meals	4,648
HOA Management fee	31,296
Other	4,834

Total Non-CCRC other revenue	\$ 129,429
-------------------------------------	-------------------

** YTD actual revenue*

Total CCRC Service fees	\$ 15,725,454
Transfer fees	1,047,450
Total CCRC Other revenue	1,530,406
	18,303,310

Per audited financial statements:

Total CCRC service fees	15,725,454
Transfer fees	1,047,450
Total CCRC other revenue	1,659,835
Total CCRC/Non-CCRC Revenue	18,432,739

Less CCRC Revenue	18,303,310
Total Non-CCRC Revenue	\$ 129,429



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

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

Date Prepared: 1/29/2026

FACILITY NAME: The Peninsula Regent
ADDRESS: 1 Baldwin Ave San Mateo, CA ZIP CODE: 94401 PHONE: (650) 579-5500
FACILITY OWNER: Bay Area Senior Services, Inc FACILITY OPERATOR: Pacific Retirement Services
RELATED FACILITIES: See Attached RELIGIOUS AFFILIATION: _____
YEAR OPENED: 1988 NO. OF ACRES: 2 ☐ SINGLE STORY ☒ MULTI-STORY ☐ OTHER: _____ MILES TO SHOPPING CTR: 2.5
MILES TO HOSPITAL: 4

NUMBER OF UNITS:

INDEPENDENT LIVING

HEALTH CARE

APARTMENTS -STUDIO	<u>0</u>	ASSISTED LIVING	<u>20</u>
APARTMENTS -1 BDRM	<u>99</u>	SKILLED NURSING	<u>0</u>
APARTMENTS - 2 BDRM	<u>108</u>	SPECIAL CARE	<u>0</u>
COTTAGES/HOUSES	<u>0</u>	DESCRIPTION: >	_____
% OCCUPANCY AT YEAR END	<u>95.7%</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
☐ ASSIGN ASSETS ☒ EQUITY ☐ MEMBERSHIP ☐ RENTAL

REFUND PROVISIONS (CHECK ALL THAT APPLY): ☒ Refundable ☐ Repayable ☐ 90% ☐ 75% ☐ 50% ☒ OTHER: No entrance fee

RANGE OF ENTRANCE FEES 650,000.00 TO 850,000.00 LONG -TERM CARE INSURANCE REQUIRED? ☐ Y ☒ N

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: Access to assisted living apartments and home care visits

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

RESIDENT REPRESENTATIVE ON THE BOARD (briefly describe their involvement): See attachment to page 1 of the CCRC Disclosure Stmt

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES

SERVICES AVAILABLE

	AVAILABLE	FEE FOR SERVICE		INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	☐	☒	HOUSEKEEPING (<u>4</u> TIMES/MONTH	☒	☐
BILLIARD ROOM	☒	☐	MEALS (<u>3</u> /DAY)	☒	☒
BOWLING GREEN	☒	☐	SPECIAL DIETS AVAILABLE	☒	☐
CARD ROOMS	☒	☐			
CHAPEL	☐	☐	24-HOUR EMERGENCY RESPONSE	☒	☐
COFFEE SHOP	☐	☐	ACTIVITIES PROGRAM	☒	☐
CRAFT ROOMS	☒	☐	ALL UTILITIES EXCEPT PHONE	☐	☒
EXERCISE ROOM	☒	☐	APARTMENT MAINTENANCE	☒	☐
GOLF COURSE ACCESS	☐	☐	CABLE TV	☒	☐
LIBRARY	☒	☐	LINENS FURNISHED	☒	☐
PUTTING GREEN	☐	☐	LINENS LAUNDERED	☒	☒
SHUFFLEBOARD	☐	☐	MEDICATION MANAGEMENT	☐	☐
SPA	☒	☐	NURSING/WELLNESS CLINIC	☒	☐
SWIMMING POOL-INDOOR	☒	☐	PERSONAL NURSING/HOME CARE	☒	☒
SWIMMING POOL-OUTDOOR	☐	☐	TRANSPORTATION-PERSONAL	☒	☒
TENNIS COURT	☐	☐	TRANSPORTATION-PREARRANGED	☒	☐
WORKSHOP	☒	☐	OTHER _____	☐	☐
OTHER	☐	☐			

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.

Bay Area Senior Services, Inc
The Peninsula Regent
Disclosure Statement General Information
Supplemental Schedule - Resident Representative to and
Resident Member on the Board

BASS BOARD VOTING MEMBER AND REPRESENTATIVE

Voting Resident (Member) Director of BASS Board

The Resident Council shall nominate and vote on a Member to participate as a voting Member of the BASS Board of Directors. Any such nomination shall be subject to the approval of the BASS Board of Directors. The person so nominated shall first have served at least three years as a Member of the Resident Council. The appointment shall be for three years. Such person may be reappointed for successive terms. If the person so appointed is not a current Member of the Council, he or she shall sit with the Council ex officio as a non-voting Member and report to the Council on matters of interest to the Council.

Non-Voting Resident (Member) Representative BASS Board

In addition to the representative nominated as a voting member of the Board, the Council shall appoint the then current Council Chair to represent the Association as a non-voting resident representative to the BASS Board of Directors. In case of the inability of the representative to attend a meeting of the BASS Board, the Council may provide for a person otherwise qualified to serve during the period of inability.

PROVIDER NAME: Bay Area Senior Services, Inc

CCRCs

LOCATION (City, State)

PHONE (with area code)

MULTI-LEVEL RETIREMENT COMMUNITIES

FREE-STANDING SKILLED NURSING

SUBSIDIZED SENIOR HOUSING

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

FINANCIAL DISCLOSURE STATEMENT
PROVIDER NAME: Bay Area Senior Services, Inc

	2022	2023	2024	2025
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (excluding amortization of entrance fee income)	17,876,228	16,924,513	17,346,142	18,087,234
LESS OPERATING EXPENSES (excluding depreciation, amortization, & interest)	14,354,564	15,840,527	16,233,137	15,410,547
NET INCOME FROM OPERATIONS	3,521,664	1,083,987	1,113,005	2,676,686
LESS INTEREST EXPENSE	828,868	2,503,435	2,801,633	2,208,628
PLUS CONTRIBUTIONS	49,667	28,399	37,361	81,925
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)	-	-	-	2,070,540
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	2,742,463	(1,391,050)	(1,651,267)	2,620,524
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)	-	675,000	788,800	1,540,400

DESCRIPTION OF SECURED DEBT AS OF MOST RECENT FISCAL YEAR END

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
US Bank (Series 2024A)	17,530,838	5.00%	10/1/2024	4/1/2054	30 years
US Bank (Series 2024B-1)	9,000,000	5.75%	10/1/2024	4/1/2054	30 years
US Bank (Series 2024B-2)	15,050,000	5.50%	10/1/2024	4/1/2054	30 years

FINANCIAL RATIOS (see next page for ratio formulas)

	2022	2023	2024	2025
DEBT TO ASSET RATIO	0.75	0.73	0.73	0.70
OPERATING RATIO	0.85	1.08	1.10	0.97
DEBT SERVICE COVERAGE RATIO	3.56	0.39	0.50	1.41
DAYS CASH-ON-HAND RATIO	247	162	68	101

HISTORICAL MONTHLY SERVICE FEES
AVERAGE FEE AND PERCENT CHANGE

	2022	%	2023	%	2024	%	2025	%
STUDIO								
ONE BEDROOM	\$ 4,406.00	4.43%	\$ 4,871.00	7.95%	\$ 5,151.00	5.75%	\$ 5,460.00	6.00%
TWO BEDROOM	\$ 5,810.00	6.96%	\$ 6,272.00	7.95%	\$ 6,632.00	5.74%	\$ 7,030.00	6.00%
COTTAGE/HOUSE								
ASSISTED LIVING	\$ 6,555.00	6.95%	\$ 7,076.00	7.95%	\$ 7,482.00	5.74%	\$ 7,931.00	6.00%
SKILLED NURSING								
SPECIAL CARE								

COMMENTS FROM PROVIDER:

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

	INDEPENDENT LIVING	ASSISTED LIVING	SKILLED NURSING
[1] Monthly Service Fees at beginning of reporting period:	\$4,910 - \$7,561	\$ 7,931	N/A
[2] Indicate percentage of increase in fees imposed during reporting period:	6.00%	6.00%	0.00%
[] 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>October 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>7/31/2024</u> Method of Notice: <u>distributed / mailed</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>7/31/2024</u>			
[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>7/16/2024</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>7/16/2024</u> Location of Posting: <u>Elevator lobby on 1st floor; In-house Channel 996 & 997; Community app</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: Bay Area Senior Services, Inc.

COMMUNITY NAME: The Peninsula Regent

Provider Name: Bay Area Senior Services, Inc

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

dollar amounts in thousands

Line	Fiscal Years	2023	2024	2025
1	F/Y 2023 Operating Expenses	(19,679)		
2	F/Y 2024 Operating Expenses (Adjustment if any, explained below)		(17,421)	
3	Projected F/Y 2025 Results of operations (adjustments explained below)			(17,946)
4	F/Y 2025 Anticipated MCF Revenues based on current and projected occupancy and other without a			18,734
5	Projected F/Y 2025 (Net) operating results without a MCFI (Line 3 plus Line 4)			788
6	Projected F/Y 2025 Anticipated revenue based on current and projected occupancy and other with MCFI			19,714
7	Grand Total - Projected F/Y 2025 Net Operating Activity after 5.75% MCFI (Line 3 plus Line 6)			1,769

A

Overall Expense % Increase: 3.01%
Independent Living Monthly % Fee Increase: 6.00%
Assisted Living Monthly Fee % Increase: 6.00%

Notes:

A Total projected increase in expenses is estimated at \$525k or 3.01% compared to prior year.

Attachment to Form 7-1
REPORT ON CCRC MONTHLY SERVICE FEES
EXPLANATION FOR INCREASE IN MONTHLY SERVICE FEES

The purpose of the Peninsula Regent 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 by 6.0% in fiscal year ended 9/30/25 for Independent Living and Assisted Living. 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 labor costs and cost increases related to purchases of supplies and services.

Total revenues are budgeted to decrease by 1.9% or (\$354K) in fiscal year ended 9/30/25 to \$18.2M. 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 \$159K (Net of Credits) from prior budget due to increase in rates. Assisted Living revenues are projected to decrease (\$480K) due to the increase in rates and decrease in census.

KEY INDICATORS REPORT

Bay Area Senior Services, Inc.



Chief Executive Officer Signature (Interim CEO)

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

					Projected	Forecast					Preferred Trend Indicator
2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
93.39%	88.99%	88.77%	92.07%	89.21%	92.43%	92.43%	92.43%	92.43%	92.43%	N/A	
17.62%	17.69%	9.30%	6.26%	15.16%	16.98%	18.74%	19.02%	19.29%	19.56%	é	
17.62%	17.69%	12.78%	10.43%	20.66%	23.58%	25.18%	25.41%	25.63%	25.85%	ê	
\$13,061	\$10,845	\$8,784	\$4,199	\$4,874	\$4,177	\$4,593	\$5,047	\$5,656	\$6,421	é	
299	265	179	82	103	82	90	97	105	117	é	
NA	NA	\$67	\$140	\$421	\$398	\$376	\$355	\$335	\$316	N/A	
NA	NA	\$675	\$789	\$1,232	\$1,700	\$1,751	\$1,804	\$1,858	\$1,913	N/A	
\$11,520	\$12,595	\$12,237	\$10,852	\$11,719	\$10,902	\$10,814	\$10,947	\$11,268	\$11,779	N/A	
\$1,130	\$2,374	\$2,435	\$4,380	\$2,059	\$2,392	\$2,488	\$2,587	\$2,691	\$2,798	N/A	
0.11	3.30	0.40	0.30	0.96	1.35	1.42	1.44	1.51	1.59	é	
0.11	3.30	0.63	0.50	1.44	2.04	2.08	2.09	2.19	2.28	é	
160%	6%	18%	22%	15%	12%	13%	13%	13%	12%	ê	
4.3%	1.9%	6.0%	6.7%	5.3%	5.3%	5.1%	5.0%	5.0%	4.9%	ê	
30%	25%	21%	10%	12%	10%	11%	13%	14%	17%	é	
3.91	4.05	4.60	5.37	5.83	6.88	7.68	8.45	9.21	9.94	ê	