

# **Aldersly**

Annual Report

September 30, 2024

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Aldersly

### Report on the Continuing Care Liquid Reserve Schedules

#### ***Opinion***

We have audited the accompanying continuing care liquid reserve schedules (the Schedules) of Aldersly (the Organization), which comprise the continuing care liquid reserve schedules, as of and for the year ended September 30, 2024, and the related notes to the continuing care liquid reserve schedules.

In our opinion, the Schedules referred to above present fairly, in all material respects, the continuing care reserves of the Organization as of and for the year ended September 30, 2024, in accordance with the liquid reserve requirements of California Health and Safety Code Section 1792 as described below.

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

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

#### ***Emphasis of Matter - Basis of Accounting***

We draw attention to Note 2 to the Schedules, which describes the basis of accounting used to prepare the Schedules. The Schedules are prepared by the Organization 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.

#### ***Management's Responsibility for the Schedules***

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

#### ***Auditors' Responsibility for the Audit of the Schedules***

Our objectives are to obtain reasonable assurance about whether the Schedules 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 Schedules.

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 Schedules, 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 Schedules.
- 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 the Organization'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 Schedules.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

### ***Restriction on Use***

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

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the Schedules, as a whole.

The accompanying supplementary information is presented for the purpose of additional analysis and is not a required part of the Schedules. 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 Schedules. The information has been subjected to the auditing procedures applied in the audit of the Schedules, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Schedules, or to the Schedules 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 Schedules, taken as a whole.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

San Francisco, California  
March 7, 2025

**FISCAL YEAR ENDED:**  
**9/30/2024**

☐ Key Indicators Report (signed by CEO or CFO (or by the authorized person who signed the provider's annual report)). The KIR may be submitted along with the annual report, but is not required until 30 days later. - **N/A**

**FORM 1-1**  
**RESIDENT POPULATION**

<b>Line</b>	<b>Continuing Care Residents</b>	<b>TOTAL</b>
[1]	Number at beginning of fiscal year	46
[2]	Number at end of fiscal year	36
[3]	Total Lines 1 and 2	82
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	41
<b>All Residents</b>		
[6]	Number at beginning of fiscal year	62
[7]	Number at end of fiscal year	63
[8]	Total Lines 6 and 7	125
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	62.5
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	0.66

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

<b>Line</b>	<b>TOTAL</b>
[1] Total Operating Expenses	\$11,812,998
[a] Depreciation	\$942,678
[b] Debt Service (Interest Only)	\$1,405,466
[2] Subtotal (add Line 1a and 1b)	\$2,348,144
[3] Subtract Line 2 from Line 1 and enter result.	\$9,464,854
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	66%
[5] Total Operating Expense of Continuing Care Residents (multiply Line 3 by Line 4)	\$6,208,944
	x .001
[6] <b>Total Amount Due</b> (multiply Line 5 by .001)	\$6,209

**PROVIDER:** ALDERSLY

**COMMUNITY:**



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/28/2024

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).

<b>PRODUCER</b> Arthur J. Gallagher Risk Management Services, LLC 2850 Golf Road Rolling Meadows IL 60008	<b>CONTACT NAME:</b> <b>PHONE (A/C, No, Ext):</b> 312-704-0100 <b>FAX (A/C, No):</b> 312-803-7443 <b>E-MAIL ADDRESS:</b>
<b>INSURED</b> Aldersly Garden Retirement Community, Inc. 326 Mission Ave. San Rafael, CA 94901	<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Zurich American Insurance Company <b>INSURER B:</b> Ironshore Specialty Insurance Co <b>INSURER C:</b> XL Specialty Insurance Company <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>

**COVERAGES****CERTIFICATE NUMBER:** 1547537869**REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Policy Agg: <input checked="" type="checkbox"/> \$32,500,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			HC7BACAI6L004	6/30/2024	6/30/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 Deductible \$ 0
A	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> CompDed:\$500 <input checked="" type="checkbox"/> CollDed:\$500			BAP 4503108-15	6/30/2024	6/30/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			HC7SACAI6H004	6/30/2024	6/30/2025	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 50,000,000 Facility Agg \$ 10,000,000
A	<input checked="" type="checkbox"/> <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N <input type="checkbox"/>	N / A	WC4503170-15	6/30/2024	6/30/2025	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
C	Crime			ELU197745-24	6/30/2024	6/30/2025	Limit of Liability \$3,000,000
B	Medical Prof. Liab(Claims Made)			HC7BACAI6L004	6/30/2024	6/30/2025	Per Claim \$1,000,000 Aggregate \$3,000,000

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

PROFESSIONAL LIABILITY DEDUCTIBLE IS SAME AS GL DEDUCTIBLE. The General Liability policy includes TRIA coverage  
Re: For informational purposes only.

**CERTIFICATE HOLDER****CANCELLATION**

State of California  
744 p Street  
MS 19-50  
Sacramento CA 95823  
USA

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

© 1988-2015 ACORD CORPORATION. All rights reserved.

**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	02/01/15	\$205,000	\$260,650		\$465,650
2	06/06/23		\$1,416,989		\$1,416,989
3	06/06/23		\$266,792		\$266,792
4	06/06/23		\$630,120		\$630,120
5	06/06/23		\$278,750		\$278,750
6					\$0
7					\$0
8					\$0
<b>TOTAL:</b>			\$2,853,301	\$0	\$3,058,301

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

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

**PROVIDER:** ALDERSLY

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

	(a)	(b)	(c)	(d)	(e)
Long-Term Debt Obligation	Date Incurred	Total Interest Paid During Fiscal Year	Amount of Most Recent Payment on the Debt	Number of Payments over next 12 months	Reserve Requirement (see instruction 5) (columns (c) x (d))
1					\$0
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
<b>TOTAL:</b>		\$0	\$0	0	\$0

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

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

**PROVIDER:** ALDERSLY



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

<b>Line</b>		<b>TOTAL</b>
1	Total from Form 5-1 bottom of Column (e)	<u>\$3,058,301</u>
2	Total from Form 5-2 bottom of Column (e)	<u>\$0</u>
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	<u>NONE</u>
4	<b>TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:</b>	<u><u>\$3,058,301</u></u>

**PROVIDER:** ALDERSLY

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

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$11,812,998</u>
2	Deductions:		
a.	Interest paid on long-term debt (see instructions)	<u>\$2,853,301</u>	
b.	Credit enhancement premiums paid for long-term debt (see instructions)	<u>\$0</u>	
c.	Depreciation	<u>\$942,678</u>	
d.	Amortization	<u>\$0</u>	
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$2,188,960</u>	
f.	Extraordinary expenses approved by the Department	<u>\$0</u>	
3	Total Deductions		<u>\$5,984,939</u>
4	Net Operating Expenses		<u>\$5,828,059</u>
5	Divide Line 4 by 365 and enter the result.		<u>\$15,967</u>
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		<u><u>\$1,197,546</u></u>

**PROVIDER:** ALDERSLY

**COMMUNITY:** \_\_\_\_\_

**ATTACHMENT TO FORM 5-4  
CALCULATION OF NET OPERATING EXPENSES**

Provider Name: ALDERSLY

Fiscal Year Ended: SEPTEMBER 30, 2024

Amount per Form 5-4, line 2-e: Revenues received for services to persons without a continuing care contract	\$ 2,188,960
----------------------------------------------------------------------------------------------------------------	--------------

Add: Monthly care fees	2,155,684	
Extended center fees	680,706	
Assisted living fees	532,540	
Memory Care fees	191,691	
Entrance fees received	807,446	<u>4,368,067</u>

Cash received from residents per consolidated statement of cash flows	<u><u>\$ 6,557,027</u></u>
-----------------------------------------------------------------------	----------------------------

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

Provider Name: ALDERSLY

Fiscal Year Ended: SEPTEMBER 30, 2024

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended SEPTEMBER 30, 2024 and are in compliance with those requirements.

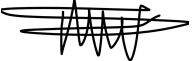
Our liquid reserve requirements, computed using the audited financial statements for the fiscal year 30-Sep-24 are as follows:

	<u>Amount</u>
[1] Debt Service Reserve Amount	<u>\$3,058,301</u>
[2] Operating Expense Reserve Amount	<u>\$1,197,546</u>
[3] <b>Total Liquid Reserve Amount:</b>	<u>\$4,255,847</u>

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

<u>Qualifying Asset Description</u>	<u>Amount</u> <u>(market value at end of quarter)</u>	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	<u>\$751,131</u>	<u>\$751,132</u>
[5] Investment Securities	<u>\$7,885,081</u>	<u>\$7,885,080</u>
[6] Equity Securities		
[7] Unused/Available Lines of Credit		
[8] Unused/Available Letters of Credit		
[9] Debt Service Reserve	<u>\$9,888,874</u>	(not applicable)
[10] Other:	<u>\$0</u>	<u>\$0</u>
<u>Less Net Assets with Donor Restrictions</u>		
(describe qualifying asset)		
<b>Total Amount of Qualifying Assets Listed for Reserve Obligation: [11]</b>	<u>\$18,525,086</u>	[12] <u>\$8,636,212</u>
<b>Reserve Obligation Amount: [13]</b>	<u>\$3,058,301</u>	[14] <u>\$1,197,546</u>
<b>Surplus/(Deficiency): [15]</b>	<u>\$15,466,785</u>	[16] <u>\$7,438,666</u>

Signature:



(Authorized Representative)

Date: 4-11-2025

Executive Director

(Title)

**ATTACHMENT TO FORM 5-5  
ANNUAL RESERVE CERTIFICATION**

Provider Name: ALDERSLY

Fiscal Year Ended: SEPTEMBER 30, 2024

Aldersly currently maintains its Debt Service Reserve of \$3,058,301 and its Operating Expense Reserve of \$1,197,546 by investing in corporate stocks and bonds, U.S. government and foreign obligations, equity and fixed income funds, and cash equivalents with a combined value of \$15,770,161 at September 30, 2024. At September 30, 2024, Aldersly has \$1,502,263 in cash and cash equivalents, net of net assets with donor restrictions of \$10,704, available to fulfill its Debt Service Reserve and Operating Expense Reserve requirements.

As part its bond financing, at September 30, 2024, Aldersly has \$46,473,861 in reserves held by the bond trustee, of which \$36,584,995 is to be used for capital projects.

At September 30, 2024, there are no other funds specifically held for identified projects or purposes or any funds maintained or designated for specific contingencies except for board designated reserves of \$5,930,353 and net assets with donor restrictions of \$10,704. The income from the board designated reserves may be used for assistance to residents or other specific projects identified by the board from time to time.

Total operating expenses for the year ended September 30, 2024, amounted to \$11,812,998. This amount, divided by the mean number of all residents for the year of 63, results in per capita costs of operation of \$187,507.

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

Date Prepared: 3/7/2025

FACILITY NAME: Aldersly

ADDRESS: 326 Mission Avenue, San Rafael, CA

ZIP CODE: 94901

PHONE: 415-453-7425

PROVIDER NAME: Aldersly

FACILITY OPERATOR: 12 Member Board of Directors

RELATED FACILITIES: None

RELIGIOUS AFFILIATION: None

YEAR # OF ☐ SINGLE ☐ MULTI-

MILES TO SHOPPING CTR: <1 mile

OPENED: 1921 ACRES: 3+ STORY STORY ☒ OTHER: Both

MILES TO HOSPITAL: 4 miles

**NUMBER OF UNITS:**

**RESIDENTIAL LIVING**

APARTMENTS — STUDIO: 13

ASSISTED LIVING: 15

APARTMENTS — 1 BDRM: 27

SKILLED NURSING:

APARTMENTS — 2 BDRM:

SPECIAL CARE: 36

COTTAGES/HOUSES:

DESCRIPTION: >

RLU OCCUPANCY (%) AT YEAR END: 69%

>

**TYPE OF OWNERSHIP:**

☒ NOT-FOR-PROFIT

☐ FOR-PROFIT

ACCREDITED?: ☐ YES ☐ NO BY:

**FORM OF CONTRACT:**

☒ CONTINUING CARE

☐ LIFE CARE

☒ ENTRANCE FEE

☐ FEE FOR SERVICE

*(Check all that apply)*

☐ ASSIGNMENT OF ASSETS

☐ EQUITY

☐ MEMBERSHIP

☐ RENTAL

REFUND PROVISIONS: *(Check all that apply)* ☐ 90% ☐ 75% ☐ 50% ☐ FULLY AMORTIZED ☒ OTHER: Prorated to 0% and 50% after 4 years

RANGE OF ENTRANCE FEES: \$ 165,090 - \$ 340,315

LONG-TERM CARE INSURANCE REQUIRED? ☐ YES ☒ NO

**HEALTH CARE BENEFITS INCLUDED IN CONTRACT:**

Priority Placement into Assisted Living

ENTRY REQUIREMENTS: MIN. AGE: 60

PRIOR PROFESSION: N/A

OTHER: No Max Age

RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD *(briefly describe provider's compliance and residents' role):* >

> Resident Member on the Board of Directors and participates in committees. Resident Representative present residents' concerns to the Board.

**FACILITY SERVICES AND AMENITIES**

COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING ( <u>2</u> TIMES/MONTH)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input type="checkbox"/>	<input type="checkbox"/>	MEALS ( <u>3</u> /DAY)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input type="checkbox"/>	<input type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRAFT ROOMS	<input type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EXERCISE ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input type="checkbox"/>	<input checked="" type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SWIMMING POOL-INDOOR	<input type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WORKSHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OTHER <u>Wireless Internet</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
OTHER <u></u>	<input type="checkbox"/>	<input type="checkbox"/>			

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

PROVIDER NAME: Aldersly

<u>OTHER CCRCs</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>

<u>MULTI-LEVEL RETIREMENT COMMUNITIES</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>

<u>FREE-STANDING SKILLED NURSING</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>

<u>SUBSIDIZED SENIOR HOUSING</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>

NOTE: PLEASE INDICATE IF THE FACILITY IS A LIFE CARE FACILITY.

**PROVIDER NAME:** Aldersly

	2021	2022	2023	2024
<b>INCOME FROM ONGOING OPERATIONS</b>				
<b>OPERATING INCOME</b>				
(Excluding amortization of entrance fee income)	6,968,286	7,040,388	6,319,610	6,517,232
<b>LESS OPERATING EXPENSES</b>				
(Excluding depreciation, amortization, and interest)	(9,066,595)	(8,573,208)	(9,289,089)	(9,464,854)
<b>NET INCOME FROM OPERATIONS</b>	(2,098,309)	(1,532,820)	(2,969,479)	(2,947,662)
<b>LESS INTEREST EXPENSE</b>	(270,705)	(253,333)	(849,861)	(1,405,466)
<b>PLUS CONTRIBUTIONS</b>	109,151	7,828,760	3,153,726	1,090,315
<b>PLUS NON-OPERATING INCOME (EXPENSES)</b>				
(excluding extraordinary items)	4,488,999	(2,361,424)	2,500,351	5,736,207
<b>NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION</b>	2,229,136	3,681,183	1,834,737	2,473,434
<b>NET CASH FLOW FROM ENTRANCE FEES</b>				
(Total Deposits Less Refunds)	293,972	1,355,048	421,791	(490,764)

\*\*\*\*\*

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

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
CMFA	61,300,000	Variable	6/8/2023	5/15/2053	30 years
CSCDA	5,050,000	Variable	2/1/2015	5/15/2040	25 years

\*\*\*\*\*

**FINANCIAL RATIOS** (see next page for ratio formulas)

	2019 CCAC 50 <sup>th</sup> Percentile (optional)	2022	2023	2024
<b>DEBT TO ASSET RATIO</b>		12.1%	64%	58.4%
<b>OPERATING RATIO</b>		125.4%	160.4%	166.8%
<b>DEBT SERVICE COVERAGE RATIO</b>		10.03	6.88	1.18
<b>DAYS CASH ON HAND RATIO</b>		559	517	580

\*\*\*\*\*

**HISTORICAL MONTHLY SERVICE FEES** (Average Fee and Change Percentage)

	2021	%	2022	%	2023	%	2024
STUDIO	4,427	1.3%	4,486	6%	4,756	8%	5,136
ONE BEDROOM	5,648	3.6%	5,851	6%	5,005	8%	5,405
TWO BEDROOM							
COTTAGE/HOUSE							
ASSISTED LIVING	6,448	6.8%	6,885	6%	7,987	8%	8,626
SKILLED NURSING	387/day	-1.9%	379/day	2.1%	387/day		
SPECIAL CARE					8,340	8%	9,007

\*\*\*\*\*

**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**

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

#### **DEBT SERVICE COVERAGE RATIO**

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

#### **DAYS CASH ON HAND RATIO**

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

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

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

	<b><u>RESIDENTIAL LIVING</u></b>	<b><u>ASSISTED LIVING</u></b>	<b><u>EXTENDED CARE</u></b>
[1] Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)	\$5,136 to \$8,115	\$7,332 to \$10,058	\$387/day to \$509/day
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	8%	8%	0%

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

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

[4] Check each of the appropriate boxes:

- ☐ Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.
- ☐ All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. **Date of Notice:** July 28, 2023 **Method of Notice:** \_\_\_\_\_
- ☐ 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:** July 28, 2023
- ☐ At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.
- ☐ The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases. **Date of** \_\_\_\_\_ **Notice:** July 3, 2023
- ☐ The governing body of the provider, or the designated representative of the provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting. **Date of Posting:** July 7, 2023 **Location of Posting:** \_\_\_\_\_

[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 Health and Safety Code. See **PART 7 REPORT ON CCRC MONTHLY CARE FEE** in the **Annual Report Instruction** booklet for further instructions.

**PROVIDER:** \_\_\_\_\_  
**COMMUNITY:** \_\_\_\_\_

## ALDERSLY

### ATTACHMENT TO FORM 7-1 INCREASES IN MONTHLY SERVICE FEES

Year ended September 30, 2024

Aldersly's continuing care contracts do not specify a rate or dollar amount that monthly fees may be raised on an annual basis. The contract allows for adjustments periodically as deemed necessary based on financial indicators. The Board of Directors is responsible for reviewing financial indicators and recommending increases. Increases are determined on a case-by-case basis within the parameters set by the Board based on individual resident's factors. For the year ended September 30, 2024, the average increase in service fees for residential living was 8%. For the year ended September 30, 2024, the average increase in service fees for assisted living and memory (special care) was 8%.

Several factors were attributed to the monthly services, specifically rising medical costs associated with care for nursing and personal care.

The Aldersly Board of Directors budgets every year to keep resident monthly service fee increases low, but ongoing demands for increased services and higher wages consistently result in increases in fees. Overall low unemployment in the Bay Area for medical professionals requires the community to budget wages and staffing accordingly to continue to provide current services.

# **Aldersly**

---

Notes to Continuing Care Liquid Reserve Schedules  
September 30, 2024

## **1. DESCRIPTION OF OPERATIONS**

Founded in 1921 by Danish immigrants as a not-for-profit retirement community located in San Rafael, California, Aldersly today is a diverse and vibrant mix of residents from many cultural backgrounds. Aldersly is a continuing care retirement community that offers three lifestyle options - Independent Living, Assisted Living, and memory (special care). Residents are able to seamlessly transition between care levels, as necessary.

## **2. BASIS OF ACCOUNTING**

The accompanying continuing care liquid reserve schedules 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 the Aldersly's assets, liabilities, revenues and expenses.