



**PARADISE VALLEY
ESTATES**

NORTHERN CALIFORNIA RETIRED OFFICERS COMMUNITY
DBA PARADISE VALLEY ESTATES

STATE OF CALIFORNIA DEPARTMENT OF SOCIAL SERVICE

ANNUAL REPORT

CONTINUING CARE LICENSING DIVISION
AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

PART 1

ANNUAL PROVIDER FEES

FORM 1-1:RESIDENT POPULATION

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	_____
[2]	Number at end of fiscal year	_____
[3]	Total Lines 1 and 2	_____
		x.50
[4]	Multiply Line 3 by “.50” and enter result on Line 5.	
[5]	Mean number of continuing care residents	<input style="width: 150px; height: 20px;" type="text"/>
All Residents		
[6]	Number at beginning of fiscal year	_____
[7]	Number at end of fiscal year	_____
[8]	Total Lines 6 and 7	_____
		x.50
[9]	Multiply Line 8 by “.50” and enter result on Line 10.	
[10]	Mean number of <i>all</i> residents	<input style="width: 150px; height: 20px;" type="text"/>
[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).	<input style="width: 150px; height: 20px;" type="text"/>

FORM 1-2: ANNUAL PROVIDER FEE

Line	TOTAL
[1] Total Operating Expenses (including depreciation and debt service - interest only)	
[a] Depreciation	
[b] Debt Service (Interest Only)	
[2] Subtotal (add Line 1a and 1b)	
[3] Subtract Line 2 from Line 1 and enter result.	
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	
[6] Total Amount Due (multiply Line 5 by .001)	

PROVIDER: _____

COMMUNITY: _____

PART 2

CERTIFICATION BY CHIEF EXECUTIVE OFFICER



PARADISE VALLEY ESTATES

April 27, 2026

State of California
Continuing Care Contracts Branch
California Department of Social Services
744 P. Street, M.S. 9-14-91
Sacramento, California 95814

This Certification Notice is submitted by the Northern California Retired Officers Community, dba Paradise Valley Estates; to The State of California, Community Care Licensing Division, Continuing Care Contracts Branch, pursuant to the requirements of the Continuing Care Contract Annual Reserve Report, for the year ended December 31, 2025 .

To the best of my knowledge, after a review of the enclosed information, I certify the following to be true, complete and correct:

1. The Annual Report is correct.
2. Each continuing care contract form in use or offered for new residents has been approved by the Department.
3. The required reserves are being maintained.

Authorized Representative

Kevin L. Burke
Chief Executive Officer

PART 3

EVIDENCE OF FIDELITY BOND

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PART 4

AUDITED FINANCIAL STATEMENTS

Northern California Retired Officers Community d.b.a Paradise Valley Estates

Financial Statements

December 31, 2025 and 2024



PARADISE VALLEY
ESTATES

Northern California Retired Officers Community d.b.a Paradise Valley Estates

Balance Sheets

December 31, 2025 and 2024

Assets	2025	2024
Current assets:		
Cash and cash equivalents	\$ 9,854,456	\$ 8,295,136
Assets whose use is limited	3,925,335	8,395,461
Investments	18,278,451	16,302,699
Accounts receivable, net	1,400,232	947,885
Entrance fees receivable	-	1,504,900
Prepaid expenses and other current assets	2,067,731	1,884,510
Total current assets	35,526,205	37,330,591
Assets limited as to use, less current portion	20,529,996	19,528,058
Property and equipment - Net	162,502,499	166,814,246
TOTAL ASSETS	\$ 218,558,700	\$ 223,672,895

Northern California Retired Officers Community d.b.a Paradise Valley Estates

Balance Sheets (Continued)

December 31, 2025 and 2024

Liabilities and Net Assets	2025	2024
Current liabilities:		
Accounts payable and accrued expenses	\$ 899,180	\$ 1,040,782
Retainage payable	1,126,876	2,926,876
Accrued personnel expenses	636,991	1,322,840
Accrued compensated annual leave	1,250,004	1,221,920
Accrued interest	2,038,213	2,298,935
Current maturities of long-term debt	610,000	3,630,000
Total current liabilities	6,561,264	12,441,353
Long-term debt, net of current maturities	86,614,432	90,691,076
Entrance fee deposits	724,290	262,800
Refundable entrance fees	19,268,312	18,775,662
Deferred revenue from entrance fees	84,907,367	83,020,955
Total long-term liabilities	191,514,401	192,750,493
Total liabilities	198,075,665	205,191,846
Net assets:		
Without donor restriction	18,427,822	16,217,594
With donor restriction	2,055,213	2,263,455
Total net assets	20,483,035	18,481,049
TOTAL LIABILITIES AND NET ASSETS	\$ 218,558,700	\$ 223,672,895

See accompanying notes to financial statements.

Northern California Retired Officers Community d.b.a Paradise Valley Estates

Statements of Operations and Changes in Net Assets

Years Ended December 31, 2025 and 2024

	2025	2024
Revenue:		
Net resident service revenue	\$ 48,003,037	\$ 44,918,213
Other operating revenue	887,767	1,064,001
Contributions	1,376,223	-
Net assets released from restrictions	455,286	418,197
Total revenue	50,722,313	46,400,411
Expenses:		
Salaries and benefits	23,212,671	23,549,756
Depreciation	8,003,649	7,786,308
Interest	3,797,164	4,419,486
Purchased services	5,477,729	5,110,899
Utilities	3,157,545	3,094,476
Food and beverage costs	2,532,644	2,474,899
Other operating expenses	2,786,574	2,659,770
Repairs and maintenance	1,260,220	1,309,294
Insurance	1,514,739	1,271,044
Supplies	989,251	1,142,624
Credit loss (recoveries) expense	(137,840)	512,048
Marketing and advertising	202,203	280,645
Total expenses	52,796,549	53,611,249
Loss from operations	(2,074,236)	(7,210,838)
Other income (loss):		
Net investment income	4,284,464	2,888,628
Revenue in excess (deficiency) of expenses/change in net assets without donor restrictions	2,210,228	(4,322,210)

Northern California Retired Officers Community d.b.a Paradise Valley Estates

Statements of Operations and Changes in Net Assets (Continued)

Years Ended December 31, 2025 and 2024

	2025	2024
Revenue in excess (deficiency) of expenses/change in net assets without donor restrictions	\$ 2,210,228	\$ (4,322,210)
Changes in net assets with donor restrictions:		
Contributions	247,044	251,386
Net assets released from restrictions	(455,286)	(418,197)
Change in net assets with donor restrictions	(208,242)	(166,811)
Change in net assets	2,001,986	(4,489,021)
Net assets at beginning	18,481,049	22,970,070
Net assets at end	\$ 20,483,035	\$ 18,481,049

See accompanying notes to financial statements.

Northern California Retired Officers Community d.b.a Paradise Valley Estates

Statements of Cash Flows

Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Cash received from residents with continuing-care contracts	\$ 49,752,834	\$ 51,658,519
Contributions and other revenue	2,511,034	1,315,387
Investment income received	1,075,331	1,078,403
Interest paid	(4,364,530)	(4,639,939)
Cash paid to employees and suppliers	(42,879,016)	(41,247,254)
Net cash from operating activities	6,095,653	8,165,116
Cash flows from investing activities		
Net sales of investments and assets whose use is limited	(979,707)	193,621
Purchases of property and equipment	(3,691,902)	(4,432,853)
Net cash from investing activities	(4,671,609)	(4,239,232)
Cash flows from financing activities		
Payments on long-term debt	(6,790,000)	(7,725,001)
Proceeds from entrance fees, new units	1,244,000	2,979,440
Net cash from financing activities	(5,546,000)	(4,745,561)
Net change in cash, cash equivalents and restricted cash and cash equivalents	(4,121,956)	(819,677)
Cash, cash equivalents, and restricted cash and cash equivalents, beginning	19,820,090	20,639,767
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents, Ending	15,698,134	19,820,090
Supplemental Cash Flow Information		
Cash paid for interest	\$ 4,364,530	\$ 4,480,587
Reconciliation of cash, cash equivalents, and restricted cash and cash equivalents		
Cash and cash equivalents	\$ 9,854,456	\$ 8,295,136
Cash and cash equivalents included in assets whose use is limited	5,843,678	11,524,954
Total cash and cash equivalents included in assets whose use is limited	\$ 15,698,134	\$ 19,820,090

See accompanying notes to financial statements.

Northern California Retired Officers Community d.b.a Paradise Valley Estates

Statements of Cash Flows (Continued)

Years Ended December 31, 2025 and 2024

	2025	2024
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 2,001,986	\$ (4,489,021)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Amortization of entrance fees	(9,463,431)	(8,611,058)
Amortization of debt issuance costs	672,354	430,920
Amortization of bond premiums	(978,998)	(508,156)
Depreciation	8,003,649	7,786,308
Net proceeds from entrance fees, existing units	10,598,493	18,267,654
Credit loss expense (recoveries)	(137,840)	512,048
Change in net unrealized gains on investments and assets limited as to use	(2,196,632)	(1,156,007)
Net realized gains on investments and assets limited as to use	(1,012,501)	(654,218)
Changes in operating assets and liabilities:		
Accounts receivable	(314,507)	92,934
Prepays and other current assets	(183,221)	(119,585)
Entrance fee receivable	1,504,900	(185,900)
Accounts payable and accrued expenses	(141,602)	169,185
Retainage payable	(1,800,000)	(364,103)
Accrued personnel expenses	(685,849)	535,620
Accrued compensated annual leave	28,084	(62,917)
Accrued interest	(260,722)	(143,216)
Entrance fee deposits	461,490	(3,335,372)
Net cash from operating activities	6,095,653	8,165,116

See accompanying notes to financial statements.

PART 5

LIQUID RESERVES

Northern California Retired Officers Community d.b.a Paradise Valley Estates

Continuing Care Retirement Community Reporting

Year Ended December 31, 2025



Independent Auditor's Report

Board of Directors
Northern California Retired Officers Community d.b.a. Paradise Valley Estates
Fairfield, California

Opinion

We have audited the liquid reserve requirements in the accompanying continuing care liquid reserve report of Northern California Retired Officers Community d.b.a. Paradise Valley Estates (the "Organization"), which comprise the Forms 1-1, 1-2, and 5-1 through 5-5 (the "Report") as of and for the year ended December 31, 2025.

In our opinion, the continuing care reserve report Forms 1-1, 1-2, and 5-1 through 5-5 referred to above presents fairly, in all material respects, the liquid reserve requirements of the Organization as of and for the year ended December 31, 2025, in conformity with the report preparation provision of California Health and Safety Code Section 1792.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Report 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.

Basis of Accounting

The Report is prepared for the purpose of complying with California Health and Safety Code Section 1792 and is not intended to be a complete presentation of the assets, liabilities, revenue and expenses of the Organization and, as such, is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Report

Management is responsible for the preparation and fair presentation of the Report in accordance with the report preparation provision of California Health and Safety Code Section 1792 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Report

Our objectives are to obtain reasonable assurance about whether the Report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Report.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Report, 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 Report.
- 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 evaluating the overall presentation of the Report.
- 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.

Report on the Audit of the Financial Statements

We have audited, in accordance with GAAS, the balance sheet of the Organization as of December 31, 2025. Our report dated March 25, 2026, included an unmodified opinion over the balance sheet as of December 31, 2025, and over the results of operations and cash flows for the year then ended.

Restriction on Use

This Report is intended solely for the information of the Board of Directors, management, and the California Department of Social Services and is not intended to be, and should not be, used by anyone other than these specified parties. However, the Report is a matter of public record and its distribution is not limited.

Wipfli LLP

Wipfli LLP

April 28, 2026

Milwaukee, Wisconsin

**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	4/4/2013	\$ 6,195,000	\$ 163,126	\$ -	\$ 6,358,126
2	11/30/2016	595,000	755,357	-	1,350,357
3	2/21/2019	-	3,329,250	-	3,329,250
4					
5					
6					
7					
8					
TOTAL:			\$ 4,247,733	\$ -	\$ 11,037,733

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

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

PROVIDER: Northern California Retired Officers Community d.b.a. Paradise Valley Estates

See Accompanying Note to Continuing Care Liquid Reserve Report.

FORM 5-2

LONG-TERM DEBT INCURRED

DURING FISCAL YEAR

(Including Balloon Debt)

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

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

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

Provider comment:

PROVIDER: Northern California Retired Officers Community d.b.a. Paradise Valley Estates

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

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	\$ 11,037,733
2	Total from Form 5-2 bottom of Column (e)	-
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:	\$ 11,037,733

PROVIDER: Northern California Retired Officers Community d.b.a. Paradise Valley Estates

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

<u>Line</u>	<u>Amounts</u>	<u>TOTAL</u>
1 Total operating expenses from financial statements		\$ 52,796,549
2 Deductions		
a Interest paid on long-term debt (see instructions)	\$ 4,247,733	
b Credit enhancement premiums paid for long-term debt (see instructions)	-	
c Depreciation	8,003,649	
d Amortization	(306,644)	
e Revenues received during the fiscal year for services to persons who did not have a continuing care contract	10,848,919	
f Extraordinary expenses approved by the Department	-	
3 Total Deductions		22,793,657
4 Net Operating Expenses		30,002,892
5 Divide Line 4 by 365 and enter the result.		82,200
6 Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		\$ 6,164,978

PROVIDER: Northern California Retired Officers Community d.b.a. Paradise Valley Estates
COMMUNITY: Northern California Retired Officers Community d.b.a. Paradise Valley Estates

Northern California Retired Officers Community d.b.a. Paradise Valley Estates
Form 5-4 Financial Statement Reconciliation
For the year ended December 31, 2025

Line 1:

Total operating expenses	\$ 52,796,549
Mean number of all residents	<u>544</u>
Per capita cost of operations	<u><u>\$ 97,052</u></u>

Line 2e:

Revenues received for services to persons not having a continuing care contract:

Skilled nursing	\$ 11,537,956
Resident services	27,001,650
Less accrual to cash adjustments, such as accounts receivable and deferred revenue changes	<u>(452,347)</u>
Equals cash received from residents (per audited financial statements)	38,087,259
Less amounts received from IL	(24,523,058)
Less amounts received from persons under a continuing care contract	<u>(5,434,558)</u>
Revenue from non-contract persons	8,129,643
Other operating revenue (per audited financial statements)	<u>2,719,276</u>
Total revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u><u>\$ 10,848,919</u></u>

See Accompanying Note to Continuing Care Liquid Reserve Report.

**Northern California Retired Officers Community d.b.a. Paradise Valley Estates
Form 5-5 attachment item [11] and item [12] Qualifying Assets Reconciliation
December 31, 2025**

Debt service reserve:

Bond reserve funds	\$ 3,302,659
Bond principal funds	1,025,230
Bond interest funds	2,079,300
Debt service reserve funds	<u>6,407,189</u>
Project fund	820,805
Other	<u>17,227,337</u>
Assets limited as to use	<u><u>\$ 24,455,331</u></u>

See Accompanying Note to Continuing Care Liquid Reserve Report.

Northern California Retired Officers Community d.b.a. Paradise Valley Estates

Note to Continuing Care Liquid Reserve Report

Year Ended December 31, 2025

Note 1: Basis of Presentation

The accompanying continuing care liquid reserve report schedules have been prepared in accordance with the provisions of the Health and Safety Code Section 1792 administered by the State of California Department of Social Services and are not intended to be a complete presentation of Northern California Retired Officers Community d.b.a. Paradise Valley Estates' assets, liabilities, revenues, and expenses.

PART 6

CONTINUING CARE RETIREMENT COMMUNITY
DISCLOSURE STATEMENT

CONTINUING CARE RETIREMENT COMMUNITY DISCLOSURE STATEMENT

Date Prepared: _____

Facility Name: _____

Address: _____

Zip Code: _____

Phone: _____

Provider Name: _____

Facility Operator: _____

Religious Affiliation: _____

Year Opened: _____

of Acres: _____

Miles to Shopping Center: _____

Miles to Hospital: _____

Single Story

Multi-Story

Other: _____

Number of Units:

Residential Living	Number of Units	Health Care	Number of Units
Apartments – Studio:	_____	Assisted Living:	_____
Apartments – 1 Bdrm:	_____	Skilled Nursing:	_____
Apartments – 2 Bdrm:	_____	Special Care:	_____
Cottages/Houses:	_____	Description:	_____

RLU Occupancy (%) at Year End: _____

Type of Ownership: Not for Profit

For Profit

Accredited? Yes By: _____

No

Form of Contact: Continuing Care

Life Care

Entrance Fee

Fee for Service

(Check all that apply) Assignment of Assets

Equity

Membership

Rental

Refund Provisions: Refundable

90%

50%

(Check all that apply) Repayable

75%

Other: _____

Range of Entrance Fees: \$ _____ - \$ _____

Long-Term Care Insurance Required? Yes No

Health Care Benefits Included in Contract: _____

Entry Requirements: Min Age: _____ Prior Profession: _____ Other: _____

Resident Representative(s) to, and Resident Members on, the Board:

(briefly describe provider's compliance and residents' roles):

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

Facility Services and Amenities

Common Area Amenities	Available	Fee for Service	Services Available	Included in Fee	For Extra Charge
Beauty/Barber Shop	<input type="checkbox"/>	<input type="checkbox"/>	Housekeeping (___Times/	<input type="checkbox"/>	<input type="checkbox"/>
Billiard Room	<input type="checkbox"/>	<input type="checkbox"/>	Month at \$_____each)		
Bowling Green	<input type="checkbox"/>	<input type="checkbox"/>	Meals (___/Day)	<input type="checkbox"/>	<input type="checkbox"/>
Card Rooms	<input type="checkbox"/>	<input type="checkbox"/>	Special Diets Available	<input type="checkbox"/>	<input type="checkbox"/>
Chapel	<input type="checkbox"/>	<input type="checkbox"/>			
Coffee Shop	<input type="checkbox"/>	<input type="checkbox"/>	24-Hour Emergency Response	<input type="checkbox"/>	<input type="checkbox"/>
Craft Rooms	<input type="checkbox"/>	<input type="checkbox"/>	Activities Program	<input type="checkbox"/>	<input type="checkbox"/>
Exercise Room	<input type="checkbox"/>	<input type="checkbox"/>	All Utilities Except Phone	<input type="checkbox"/>	<input type="checkbox"/>
Golf Course Access	<input type="checkbox"/>	<input type="checkbox"/>	Apartment Maintenance	<input type="checkbox"/>	<input type="checkbox"/>
Library	<input type="checkbox"/>	<input type="checkbox"/>	Cable TV	<input type="checkbox"/>	<input type="checkbox"/>
Putting Green	<input type="checkbox"/>	<input type="checkbox"/>	Linens Furnished	<input type="checkbox"/>	<input type="checkbox"/>
Shuffleboard	<input type="checkbox"/>	<input type="checkbox"/>	Linens Laundered	<input type="checkbox"/>	<input type="checkbox"/>
Spa	<input type="checkbox"/>	<input type="checkbox"/>	Medication Management	<input type="checkbox"/>	<input type="checkbox"/>
Swimming Pool – Indoor	<input type="checkbox"/>	<input type="checkbox"/>	Nursing/Wellness Clinic	<input type="checkbox"/>	<input type="checkbox"/>
Swimming Pool – Outdoor	<input type="checkbox"/>	<input type="checkbox"/>	Personal Home Care	<input type="checkbox"/>	<input type="checkbox"/>
Tennis Court	<input type="checkbox"/>	<input type="checkbox"/>	Transportation – Personal	<input type="checkbox"/>	<input type="checkbox"/>
Workshop	<input type="checkbox"/>	<input type="checkbox"/>	Transportation – Prearranged	<input type="checkbox"/>	<input type="checkbox"/>
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	Other: _____	<input type="checkbox"/>	<input type="checkbox"/>

Provider Name: _____

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

Multi-Level Retirement Communities	Location (city, state)	Phone (with area code)

Free-Standing Skilled Nursing	Location (city, state)	Phone (with area code)

Subsidized Senior Housing	Location (city, state)	Phone (with area code)

NOTE: Please indicate if the facility is a life care facility.

Provider Name: _____

Income and Expenses [Year]

Income from Ongoing Operations

Operating Income

(Excluding amortization of entrance fee income)

--	--	--	--	--

Less Operating Expenses

(Excluding depreciation, amortization, and interest)

--	--	--	--	--

Net Income From Operations

--	--	--	--	--

Less Interest Expense

--	--	--	--	--

Plus Contributions

--	--	--	--	--

Plus Non-Operating Income

(Expenses)

(Excluding extraordinary items)

--	--	--	--	--

Net Income (Loss) Before Entrance Fees, Depreciation And Amortization

--	--	--	--	--

Net Cash Flow From Entrance Fees

(Total Deposits Less Refunds)

--	--	--	--	--

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

Lender	Outstanding Balance	Interest Rate	Date of Origination	Date of Maturity	Amortization Period

Financial Ratios *(see last page for ratio formulas)*

CCAC Medians 50th Percentile *(optional)*

Financial Ratios [Year]

Debt to Asset Ratio				
Operating Ratio				
Debt Service Coverage Ratio				
Days Cash On Hand Ratio				

Provider Name: _____

Historical Monthly Service Fees (Average Fee and Change Percentage)

Residence/Service [Year]	%	%	%	%	%	%	%
Studio							
One Bedroom							
Cottage/House							
Assisted Living							
Skilled Living							
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

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

Debt Service Coverage Ratio

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

Days Cash On Hand Ratio

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

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

PART 7

REPORT ON CCRC MONTHLY SERVICE FEES

FORM 7-1 REPORT ON CCRC MONTHLY CARE FEES

Complete **Form 7-1** to report the monthly care fee increase (MCFI) for **each** community operated by the Provider. If no adjustments were made during the reporting period for a community, indicate by checking the box below **Line [2]**. Providers must complete a separate Form 7-1 for each of their continuing care retirement communities.

1. On **Line 1**, enter the amount of monthly care fees for each level of care at the *beginning* of the reporting period.
2. On **Line 2**, indicate the percentage(s) of increase in fees implemented during the *reporting* period.
3. On **Line 3**, indicate the date the fee increase was implemented. If more than one (1) increase was implemented, indicate the date(s) for each increase.
4. Check *each* of the appropriate boxes.
5. Provide a detailed explanation for the increase in monthly care fees including the total dollar amount for the community overall and corresponding percentage increase for each level of care in compliance with the Health and Safety Code. The explanation shall set forth the reasons, by department cost centers, for any increase in monthly care fee. It must include if the change in monthly care fees is due to any actual or projected costs related to any other CCRC community or enterprise affiliated with the provider or parent company.

The methodology used to budget future costs should align with one or more of the following factors: “projected costs, prior year per capita costs and economic indicators.” Describe the methodology used for single or multiple communities. If there are multiple MCFI percentages, i.e., by level of care, a separate explanation for each MCFI will be required.

Also, if there is a positive result of operations, the provider will need to explain how the funds will be used and/or distributed consistent with disclosures made in the applicable sections of the Continuing Care Contract.

This attachment should include the data used in the Monthly Care Fee Increase meeting presentation provided to residents, which will also include actual results and an explanation of any variances.

NOTE: Providers shall retain all documents related to the development of adjusted fees at their respective communities for a period of at least three years, i.e., budgets, statements of operations, cost reports, used near the end of the prior fiscal year to develop adjustments implemented in the current reporting period. These documents must be available for review upon request by the Department.

FORM 7-1
REPORT ON CCRC MONTHLY CARE FEES

	RESIDENTIAL LIVING	ASSISTED LIVING	MEMORY CARE	SKILLED NURSING
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1. Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)

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2. Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)

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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: _____
 (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: _____ **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:** _____
- 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 distributed the documents to all residents by [Optional - check all that apply]:
 - Emailed the documents to those residents for whom the provider had email addresses on file
 - Placed hard copies in resident cubby
 - Placed hard copies at designated locations
 - Provided hard copies to residents upon request, and/or
 - Other: [please describe] _____
 - Date of Notice:** _____

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

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: _____ **Location of Posting:** _____

Providers evaluated the effectiveness of consultations during the annual budget planning process at a minimum of every two years by the continuing care retirement community administration. The evaluation, including any policies adopted relating to cooperation with residents was made available to the resident association or its governing body, or, if neither exists, to a committee of residents at least 14 days prior to the next semiannual meeting of residents and the Provider's governing body and posted a copy of that evaluation in a conspicuous location at each facility.
Date of Posting: _____ **Location of Posting:** _____

5. On an attached page, provide a detailed explanation for the increase in monthly care fees including the amount of the increase and compliance with the Health and Safety Code.

PROVIDER: _____ **COMMUNITY:** _____

Summary of Documents Used in Determining Rate Adjustment

The following documents were used in developing the monthly fee adjustments for 2025

NCROC Operating Budget for 2025	Internally developed document detailing all revenues and expenses for projected fiscal year 2025. Developed by Paradise Valley Estates management and approved by the Board of Directors.
Report on Actuarial Study and Cash Flow Projection for Paradise Valley Estates	Report completed in conjunction with the actuarial firm, A.V. Powell & Associates. The report contains observations and recommendations regarding pricing policies in order to meet reserve requirements , thus helping ensure the long-term success of Paradise Valley Estates.
Statements of Operations	The operating results of Paradise Valley Estates during fiscal year 2024, based on actual performance.

Basis of monthly Care Fee Adjustment

Methodology for Rate Adjustment

Paradise Valley Estates (PVE), a continuing care retirement community located in Fairfield, California, has been in operation since 1997. The 2025 budget was based on a mix of historical operational results, as well as projected expenses associated with budgeted occupancy. Labor is a large part of the operating budget and as such mandated minimum wage increases combined with local labor markets had a impact the projected costs. Other factors taken into account are historical attrition rates and assumptions relating to new move in numbers and timing for those move ins.

PVE must maintain certain financial rations, according to covenants mandated by financing arrangements. These ratios include days cash on hand, current, and debt service coverage ratios. These financial obligations also dictate the continuance of financial health for PVE and as such are an important part of the revenue and pricing target decisions.

Summary/Overview Rate Adjustment

After review and preparation of analysis, PVE did increase monthly service fees for Independent Living units. PVE also increased daily rates for skilled nursing and assisted living at Laurel Creek Health Center and assisted living at the Quail Creek and Deer Creek facilities.

ATTACHMENT TO FORM 7-1

REPORT ON CCRC MONTHLY SERVICE FEES

EXPLANATION FOR THE INCREASE IN MONTHLY SERVICE FEES

The goal of PVE's annual budgeting and rate-setting process is to establish a financial plan that balances providing residents with the highest level of service and value while also ensuring the long-term financial sustainability of the organization.

For 2025, service fees for Independent Living were increased by 6.75% for all levels of care. The reason for these increases was to offset a projected operating loss. The largest cost increase in 2025 was for labor, which represents roughly 50% of the operating expense budget. Increases related to minimum wage mandates, merit increases, and market factors for 2025.

In addition to increased labor costs, PVE saw cost increases across the board due to inflation, in particular food costs, which were projected to continue increasing in 2025. Other services such as utilities, contracted services, and supplies that were consistent with general COLA increases in the SF Bay area.

Paradise Valley Estates

H&SC SECTION 1790(a)(2) and (3) DISCLOSURE

Description of all Reserves Maintained	December 31,	
	2025	2024
2013 Bond funds:		
Interest fund	-	131,177
Revenue fund	-	3,325
Principal fund	-	3,031,781
Reserve fund	-	3,231,137
	<u>-</u>	<u>6,397,420</u>
2016 Bond funds:		
Interest fund	435,858	381,775
Revenue fund	0	1
Project fund	-	-
Principal fund	1,025,230	595,020
	<u>1,461,088</u>	<u>976,796</u>
2019 Bond funds:		
Capitalized Interest fund	-	-
Interest fund	1,643,442	1,695,010
Revenue fund	0	(3,326)
Redemption fund	-	-
Project fund	820,805	2,560,697
Reserve fund	3,302,659	3,155,383
	<u>5,766,906</u>	<u>7,407,764</u>
<u>Other Limited Use fund</u>		
Benevolence fund	2,402,840	2,404,523
Entrance fee refund escrow	12,700,151	9,108,452
Ziegler LinkAge fund	675,000	575,000
Charitable annuities	97,650	89,363
Other	-	-
	<u>15,875,641</u>	<u>12,177,338</u>
	<u>\$ 23,103,636</u>	<u>\$ 26,959,318</u>

Funds Accumulated for Specific Projects or Purposes

The benevolence funds will be used to provide resident assistance.

The charitable gift annuity fund is set aside for payment of gift annuities.

Per Capita Cost of Operations

Total Operating Expenses (Form 5-4, Line 1)	\$ 52,796,549
Mean number of all residents (Form 1-1, Line 10)	544
	<u>\$ 97,052</u>

PART 8

KEY INDICATORS REPORT

KEY INDICATORS REPORT
NORTHERN CALIFORNIA RETIRED OFFICERS COMMUNITY OF PARADISE VALLEY ESTATES

R. J. [Signature]

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

	Annual												Fiscal Year					Trend
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
OPERATIONAL METRICS																		
1. Average Annual Occupancy by Site (%)	87%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	
MARKET OPERABILITY INDICATORS																		
2. Net Operating Margin (%)	-1%	-2%	-1%	-2%	-2%	-1%	-2%	-1%	-2%	-1%	-2%	-1%	-2%	-1%	-2%	-1%	-2%	
3. Net Operating Margin - Adjusted (%)	2%	1%	1%	2%	2%	1%	2%	1%	2%	1%	2%	1%	2%	1%	2%	1%	2%	
LIQUIDITY INDICATORS																		
4. Unrestricted Cash and Investments (\$MM)	60,227	61,222	60,643	61,641	61,119	61,219	61,009	61,219	61,021	61,221	61,021	61,221	61,021	61,221	61,021	61,221	61,021	
5. Days Cash on Hand (Truncated)	5/8	8/1	7/8	4/8	5/8	6/8	4/8	5/8	6/8	4/8	5/8	6/8	4/8	5/8	6/8	4/8	5/8	
CAPITAL STRUCTURE INDICATORS																		
6. Total Debt to Total Assets (%)	61.2/61	61.1/61	61.2/61	61.1/61	61.2/61	61.1/61	61.2/61	61.1/61	61.2/61	61.1/61	61.2/61	61.1/61	61.2/61	61.1/61	61.2/61	61.1/61	61.2/61	
7. Net Asset E/P Growth (\$MM)	60,201	61,108	60,709	61,677	61,289	61,009	61,219	61,021	61,221	61,021	61,221	61,021	61,221	61,021	61,221	61,021	61,221	
8. Truncated Net Asset (\$MM)	60,201	61,108	60,709	61,677	61,289	61,009	61,219	61,021	61,221	61,021	61,221	61,021	61,221	61,021	61,221	61,021	61,221	
9. Annual Total Asset Depreciation (\$MM)	4,027	4,246	4,061	4,461	4,289	4,146	4,314	4,146	4,314	4,146	4,314	4,146	4,314	4,146	4,314	4,146	4,314	
10. Annual Total Income Change	61,126	61,614	61,148	62,147	61,728	61,519	61,319	61,121	61,321	61,121	61,321	61,121	61,321	61,121	61,321	61,121	61,321	
11. Annual Total Income Change (%)	2.1%	2.2%	1.9%	1.9%	2.1%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	
12. Annual Total Income Growth (%)	17%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	
13. Average Annual Effective Interest Rate (%)	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	
14. Truncated Cash & Investments	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
15. Average Age of Property (Years)	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	

Chief Executive Officer Signature

	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
1. Average Annual Occupancy by Site (%)	86%	86%	86%	86%	86%
2. Net Operating Margin (%)	-2%	-1%	-1%	-1%	-1%
3. Net Operating Margin - Adjusted (%)	2%	2%	2%	2%	2%
4. Unrestricted Cash and Investments (\$MM)	61,018	61,202	61,398	61,594	61,790
5. Days Cash on Hand (Truncated)	2/1	2/1	2/1	2/1	2/1
6. Total Debt to Total Assets (%)	119,811	120,619	121,427	122,235	123,043
7. Net Asset E/P Growth (\$MM)	11,049	11,245	11,441	11,637	11,833
8. Truncated Net Asset (\$MM)	7,008	7,204	7,400	7,596	7,792
9. Annual Total Asset Depreciation (\$MM)	1,386	1,401	1,416	1,431	1,446
10. Annual Total Income Change	4,236	4,251	4,266	4,281	4,296
11. Annual Total Income Change (%)	1.9%	1.9%	1.9%	1.9%	1.9%
12. Annual Total Income Growth (%)	17%	17%	17%	17%	17%
13. Average Annual Effective Interest Rate (%)	4%	4%	4%	4%	4%
14. Truncated Cash & Investments	10%	10%	10%	10%	10%
15. Average Age of Property (Years)	19	19	19	19	19

PART 9

REFUND RESERVE REPORT

FOR

REFUNDABLE CONTRACTS

