FISCAL YEAR ENDED: 8/31/2023

ANNUAL REPORT CHECKLIST

PROVIDER(S): **Fountainview at Eisenberg Village LLC and Los Angeles Jewish Home for the Aging**

CCRC(S): **Fountainview at Eisenberg Village**

PROVIDER CONTACT PERSON: **Robin Ray**

TELEPHONE NO.: (818) 774-3396 **EMAIL: Robin.Ray@jha.org**

● ●

A complete annual report must consist of *3 copies* of all of the following:

☒ Annual Report Checklist.

☒ Annual Provider Fee in the amount of: $ 6,090
- ❑ If applicable, late fee in the amount of: $____________

☒ Certification by the provider's ***Chief Executive Officer*** that:
- ☒ The reports are correct to the best of his/her knowledge.
- ☒ Each continuing care contract form in use or offered to new residents has been approved by the Department.
- ☒ The provider is maintaining the required *liquid* reserves and, *when applicable*, the required refund reserve.

☒ Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.

☒ Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.

☒ Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon. (NOTE: Form 5-5 must be signed and have the required disclosures attached (H&SC section 1790(a)(2) and (3)).

☒ "Continuing Care Retirement Community Disclosure Statement" for ***each*** community.

☒ Form 7-1, "Report on CCRC Monthly Service Fees" for ***each*** community.

❑ Form 9-1, "Calculation of Refund Reserve Amount", *if applicable*.

☒ 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.

FORM 1-1
RESIDENT POPULATION

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	103
[2]	Number at end of fiscal year	102
[3]	Total Lines 1 and 2	205
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	102.5
	All Residents	
[6]	Number at beginning of fiscal year	103
[7]	Number at end of fiscal year	102
[8]	Total Lines 6 and 7	205
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of *all* residents	102.5
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of *all* residents (Line 10) and enter the result (round to two decimal places).	1.00

FORM 1-2
ANNUAL PROVIDER FEE

Line			TOTAL
[1]	Total Operating Expenses (including depreciation and debt service - interest only)		$6,115,613
[a]	Depreciation	$25,997	
[b]	Debt Service (Interest Only)		
[2]	Subtotal (add Line 1a and 1b)		$25,997
[3]	Subtract Line 2 from Line 1 and enter result.		$6,089,616
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)		100%
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)		$6,089,616
			x .001
[6]	**Total Amount Due** (multiply Line 5 by .001)		$6,090

PROVIDE FOUNTAINVIEW AT EISENBERG VILLAGE LLC
COMMUN FOUNTAINVIEW AT EISENBERG VILLAGE LLC

LAJHealth
LOS ANGELES JEWISH HEALTH
7150 Tampa Avenue, Reseda, CA 91335
Tel: 818.774.3000 | Fax: 818.774.3020
www.lajhealth.org

January 26, 2024

Ms. Kim Johnson
State of California
Health and Human Services Agency
Department of Social Services
Continuing Care Contracts Branch
744 P Street
Sacramento, CA 95814

Dear Ms. Johnson,

This letter is to certify that our annual report for Fountainview at Eisenberg Village, LLC and any amendments to the annual report are correct to the best of my knowledge. Each continuing care contract form in use or offered to new residents has been approved by the Department of Social Services. As of August 31, 2023, Fountainview at Eisenberg Village, LLC exceeds the required reserves.

Sincerely,

Dale Surowitz
CEO and President

Policy No. SAA 4292874 08 00

CRIME PROTECTION POLICY DECLARATIONS

Item 1. NAMED INSURED AND ADDRESS:	**Item 2. POLICY PERIOD:**
Los Angeles Jewish Home for the Aging 7150 Tampa Ave Reseda, CA 91335	12:01 A.M. Standard Time at the address of the Named Insured shown at left From 05/01/2023 To 05/01/2024

Insurance is afforded by:

Great American Insurance Company

(a capital stock corporation, hereinafter called the Company)

Item 3. INSURING AGREEMENTS, LIMITS OF INSURANCE AND DEDUCTIBLES

Insuring Agreement	**Limit of Insurance Per Occurrence**	**Deductible Amount Per Occurrence**
1. Employee Dishonesty	$ 5,000,000	$ 50,000
2. Forgery or Alteration	$ 5,000,000	$ 50,000
3. Inside the Premises	$ 5,000,000	$ 50,000
4. Outside the Premises	$ 5,000,000	$ 50,000
5. Computer Hacking	$ 5,000,000	$ 50,000
6. Money Orders and Counterfeit Paper Cash	$ 5,000,000	$ 50,000
7. Loss of Clients' Property	$ 5,000,000	$ 50,000
8. Funds Transfer Fraud	$ 5,000,000	$ 50,000
9. Fraudulently Induced Transfer	$ 250,000	$ 50,000
10. ERISA Fraud or Dishonesty	$ 500,000	$ 0

If added by Endorsement, Insuring Agreement(s):

If "Not Covered" is inserted above opposite any specified Insuring Agreement, or if no amount is inserted, such Insuring Agreement and any other reference thereto in this Policy shall be deemed to be deleted.

Item 4. ENDORSEMENTS FORMING PART OF THIS POLICY WHEN ISSUED

See Form IL8801

Item 5. CANCELLATION OF PRIOR INSURANCE

By acceptance of this Policy you give us notice cancelling prior policy Nos.

SAA 4292874 07

Report of Independent Auditors and Consolidated Financial Statements with Supplementary Information

Los Angeles Jewish Home for the Aging

August 31, 2023 and 2022

Table of Contents

Report of Independent Auditors

To the Board of Directors
Los Angeles Jewish Home for the Aging

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Los Angeles Jewish Home for the Aging, which comprise the consolidated statements of financial position as of August 31, 2023 and 2022, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Los Angeles Jewish Home for the Aging as of August 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Los Angeles Jewish Home for the Aging's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Los Angeles Jewish Home for the Aging's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Los Angeles Jewish Home for the Aging's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the consolidated financial statements that collectively comprise the Los Angeles Jewish Home for the Aging's basic consolidated financial statements. The consolidating schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic consolidated financial statements as a whole.

Moss Adams LLP

Los Angeles, California
January 24, 2024

Consolidated Financial Statements

Los Angeles Jewish Home for the Aging
Consolidated Statements of Financial Position (In Thousands)
August 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 30,750	$ 31,098
Assets limited as to use, required for payment of current liabilities (Note 6)	6,160	3,581
Accounts receivable (Note 2)	13,434	8,852
Current portion of contributions receivable, net (Note 7)	5,676	5,813
Prepaid and other current assets	2,397	2,368
Total current assets	58,417	51,712
ASSETS LIMITED TO USE, net of current portion (Note 6)	4,435	6,724
INVESTMENTS (Notes 4 and 5)	13,559	12,641
CONTRIBUTIONS RECEIVABLE, net of current portion (Note 7)	11,731	12,576
ASSETS HELD IN TRUST FOR RESIDENTS (Note 8)	537	507
PROPERTY, PLANT, AND EQUIPMENT, net (Note 9)	275,103	279,545
OPERATING LEASE RIGHT-OF-USE ASSETS (Note 15)	6,490	7,129
OTHER ASSETS	1,142	1,114
Total assets	$ 371,414	$ 371,948
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 14,712	$ 15,567
Accrued interest expense	1,051	939
Accrued compensation and related liabilities	10,310	9,343
Lines of credit (Note 11)	7,899	8,550
Due to third-party payers	931	831
Refundable advance fees payable (Note 12)	15,100	11,073
Current portion of annuity obligations	224	243
Operating lease liability, current portion (Note 15)	722	859
Current portion of long-term debt (Note 11)	6,007	5,913
Total current liabilities	56,956	53,318
REFUNDABLE ADVANCE FEES LIABILITY (Note 13)	186,475	186,307
DEFERRED REVENUE FROM ADVANCE FEES (Note 10)	12,447	11,313
ACCRUED COMPENSATION AND RELATED LIABILITIES, net of current portion (Note 14)	6,979	7,546
ANNUITY OBLIGATIONS, net of current portion	1,368	1,516
ASSET RETIREMENT OBLIGATION (Note 14)	591	578
RESIDENT FUNDS (Note 8)	537	507
OPERATING LEASE LIABILITY, net of current portion (Note 15)	6,678	7,204
LONG-TERM DEBT, net of current portion (Note 11)	85,204	90,782
Total liabilities	357,235	359,071
NET ASSETS (DEFICIT)		
Without donor restrictions	(31,310)	(34,125)
With donor restrictions (Note 16)	45,489	47,002
Total net assets	14,179	12,877
COMMITMENTS AND CONTINGENCIES (Note 14)		
Total liabilities and net assets	$ 371,414	$ 371,948

See accompanying notes.

Los Angeles Jewish Home for the Aging
Consolidated Statement of Activities (In Thousands)
Year Ended August 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
In-residence revenue	$ 96,344	$ -	$ 96,344
Community based services revenue	43,022	-	43,022
Amortization of deferred revenue from advance fees	3,913	-	3,913
Contributions	20,992	(67)	20,925
Investment income (Note 4)	1,560	93	1,653
Grant revenue (Note 3)	4,107	-	4,107
Other revenue	1,055	-	1,055
Net assets released from restriction – used for operations	1,656	(1,656)	-
Change in value of split-interest agreements	-	117	117
Total revenue, gains, and other support	172,649	(1,513)	171,136
EXPENSES			
Nursing	44,214	-	44,214
Plant operations, housekeeping, and laundry	18,503	-	18,503
Dietary	19,407	-	19,407
Ancillary	6,827	-	6,827
Social services	5,848	-	5,848
Outside medical services	11,610	-	11,610
Medical services	2,694	-	2,694
Personal care services	3,822	-	3,822
General and administrative	31,125	-	31,125
Depreciation and amortization	11,597	-	11,597
Debt financing costs	3,754	-	3,754
Employee-related insurance	2,506	-	2,506
Fundraising	2,559	-	2,559
Marketing	1,613	-	1,613
Insurance and taxes	2,706	-	2,706
Other	1,049	-	1,049
Total expenses	169,834	-	169,834
Revenue in excess of (less than) expenses	2,815	(1,513)	1,302
Change in net assets (deficit)	2,815	(1,513)	1,302
NET ASSETS (DEFICIT) at beginning of year	(34,125)	47,002	12,877
NET ASSETS (DEFICIT) at end of year	$ (31,310)	$ 45,489	$ 14,179

See accompanying notes.

Los Angeles Jewish Home for the Aging
Consolidated Statement of Activities (In Thousands)
Year Ended August 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
In-residence revenue	$ 85,221	$ -	$ 85,221
Community based services revenue	45,000	-	45,000
Amortization of deferred revenue from advance fees	3,535	-	3,535
Contributions	10,272	1,472	11,744
Investment (loss) income (Note 4)	(971)	82	(889)
Forgiveness of Paycheck Protection Program loan (Note 3)	10,085	-	10,085
Grant revenue (Note 3)	281	-	281
Other revenue	1,302	-	1,302
Net assets released from restriction – used for operations	2,689	(2,689)	-
Change in value of split-interest agreements	-	(386)	(386)
Total revenue, gains, and other support	157,414	(1,521)	155,893
EXPENSES			
Nursing	42,602	-	42,602
Plant operations, housekeeping, and laundry	18,001	-	18,001
Dietary	16,838	-	16,838
Ancillary	7,490	-	7,490
Social services	5,678	-	5,678
Outside medical services	11,018	-	11,018
Medical services	3,021	-	3,021
Personal care services	3,540	-	3,540
General and administrative	32,037	-	32,037
Depreciation and amortization	11,566	-	11,566
Debt financing costs	3,383	-	3,383
Employee-related insurance	4,528	-	4,528
Fundraising	2,180	-	2,180
Marketing	1,294	-	1,294
Insurance and taxes	2,410	-	2,410
Other	63	-	63
Total expenses	165,649	-	165,649
Revenue less than expenses	(8,235)	(1,521)	(9,756)
Change in net assets (deficit)	(8,235)	(1,521)	(9,756)
NET ASSETS (DEFICIT) at beginning of year	(25,890)	48,523	22,633
NET ASSETS (DEFICIT) at end of year	$ (34,125)	$ 47,002	$ 12,877

See accompanying notes.

Los Angeles Jewish Home for the Aging
Consolidated Statements of Cash Flows (In Thousands)
Years Ended August 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from residents and third-party payers	$ 136,274	$ 131,498
Proceeds from advance fees received	23,314	16,990
Other receipts from operations	5,161	1,583
Unrestricted contributions received	21,477	11,022
Unrestricted investment income received	1,216	247
Cash paid to suppliers and employees	(153,935)	(147,800)
Cash paid for interest on long-term debt	(4,387)	(4,267)
Net cash provided by operating activities	29,120	9,273
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(7,156)	(4,332)
Proceeds from sale of investments	70	1,812
Purchase of investments	(551)	(504)
Net cash used in investing activities	(7,637)	(3,024)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on lines of credit	38,061	46,780
Repayments of lines of credit	(38,712)	(45,211)
Principal payments on long-term debt	(4,740)	(4,585)
Payment of refundable advance fees	(16,499)	(14,505)
Payment of obligation for Skilled Nursing Facility care	(31)	(32)
Proceeds from restricted and conditional contributions and investment income	380	1,504
Net cash used in financing activities	(21,541)	(16,049)
Net decrease in cash and cash equivalents and restricted cash	(58)	(9,800)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, beginning of year	41,403	51,203
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, end of year	$ 41,345	$ 41,403

See accompanying notes.

Los Angeles Jewish Home for the Aging
Consolidated Statements of Cash Flows (In Thousands)
Years Ended August 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,302	$ (9,756)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Advance refundable fees received	15,733	13,481
Advance non-refundable fees received	2,414	3,509
Depreciation and amortization	11,597	11,566
Accretion of asset retirement obligation	13	36
Amortization of bond issuance costs	429	451
Amortization of deferred revenues from advance fees	(3,913)	(3,535)
Amortization of bond premium	(1,173)	(1,173)
Paycheck Protection Program loan forgiveness	-	(10,085)
Net realized and unrealized (gains) losses on investments	(437)	1,136
(Increase) decrease in operating assets		
Accounts receivable	1,148	2,157
Prepaid and other current assets	927	(90)
Contributions receivable	602	(193)
Other assets	(28)	118
Operating lease right-of-use assets	639	909
Increase (decrease) in operating liabilities		
Accounts payable, accrued expenses, and accrued compensation	512	1,732
Accrued interest expense	85	33
Due to third-party payers	100	(299)
Operating lease liabilities	(663)	(581)
Annuity obligations	(167)	(143)
Net cash provided by operating activities	$ 29,120	$ 9,273
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Accrued capital expenditures	$ 1,513	$ 2,827

See accompanying notes.

Note 1 – Organization

Los Angeles Jewish Home for the Aging (LAJH), a tax exempt corporation located in Reseda, California, was founded in 1912 and organized in 1979 to operate three separate tax-exempt corporations – Eisenberg Village of the Los Angeles Jewish Home for the Aging ("Eisenberg Village"), licensed to operate 271 residential (board and care) beds and 166 skilled nursing beds; Grancell Village of the Los Angeles Jewish Home for the Aging ("Grancell Village"), licensed to operate 105 skilled nursing beds and an acute psychiatric hospital consisting of 10 acute beds and supplemental service of 239 distinct part skilled nursing beds; and JHA Geriatric Services, Inc., established to provide outpatient services to the residents of Eisenberg and Grancell Villages and seniors in the surrounding community.

In 2006, LAJH established Fountainview at Eisenberg Village LLC for the purpose of operating a continuing care retirement community known as Fountainview at Eisenberg Village. Fountainview at Eisenberg Village opened in February 2010 and has 108 apartments licensed for 216 residents.

In 2008, LAJH opened the Annenberg School of Nursing. The school offers training programs for licensed vocational nurses, certified nursing assistants, and home health aides.

In 2009, LAJH created Brandman Centers for Senior Care, Inc. (BCSC) for the purpose of operating Program of All-Inclusive Care for the Elderly (PACE) sites in the Los Angeles area. BCSC opened the first PACE site on February 1, 2013, at Grancell Village. On November 1, 2023, LAJH expanded the program, opening a second BCSC PACE site on the west side of Los Angeles (Brandman Centers for Senior Care (PACE) West Los Angeles).

In 2009, LAJH created JHA West 16, LLC ("JHA West 16"), a limited liability company. JHA West 16 purchased land in September 2012 in Playa Vista, California, for the construction of a continuing care retirement community; Fountainview at Gonda Westside on the Gonda Healthy Aging Center campus opened in February 2017 and has 175 apartments licensed for 216 residents.

LAJH is the sole corporate member of Eisenberg Village, Grancell Village, the Annenberg School of Nursing, BCSC, JHA West 16, the Brandman Health Plan, and the Foundation. LAJH is not the sole corporate member of JHA Geriatric Services, Inc., but elects all of the members of its Board of Directors. Eisenberg Village of the Los Angeles Jewish Home for the Aging is the sole member of Fountainview at Eisenberg Village LLC.

In July 2013, LAJH formed Los Angeles Jewish Home, IPA (IPA), a for-profit professional corporation, for the purpose of operating an independent physician's association in the surrounding community. The IPA became active in November 2017. LAJH has elected to consolidate the IPA because it owns an option to purchase the IPA and employs the sole shareholder of the IPA on a full-time basis.

In November 2019, LAJH organized the Brandman Health Plan to operate a managed medical health plan. In July 2020, the Brandman Health Plan received a Knox-Keene license to operate a chronic condition special needs plan (C-SNP) and began enrolling participants in October 2020 for coverage starting January 1, 2021. During the current fiscal year, LAJH decided to close the plan and February 2022 was the last month of coverage provided to plan members.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – The consolidated financial statements include the accounts of the related organizations described above. All significant intercompany accounts and transactions have been eliminated.

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed. Based on the existence of absence of donor-imposed restrictions, LAJH classifies resources into two categories: without donor restrictions and with donor restrictions.

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of LAJH. These net assets may be used at the discretion of LAJH's management and board of directors.

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

Expiration of donor-imposed restrictions – Net assets are released from restrictions by incurring expenses satisfying the restricted purposes and by occurrence of events specified by the donors, including the passage of time. Donor restrictions on long-lived assets or cash to construct or acquire long-lived assets are considered to have expired when the assets are placed into service or expenditures exceed the amount of the gift.

Use of estimates – The preparation of the consolidated financial statements in conformity with GAAP 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation allowances for accounts and contributions receivable; liabilities for self-insured workers' compensation and unemployment risks; and valuation of split-interest agreements. Actual results could differ from those estimates.

Cash and cash equivalents – Investments with original maturities of three months or less are considered to be cash equivalents. As of August 31, 2023 and 2022, cash equivalents are comprised of money market funds.

The following table provides a reconciliation of cash and cash equivalents and restricted cash equivalents reported within the accompanying consolidated statement of financial position to the accompanying consolidated statements of cash flows as of August 31, 2023 and 2022 (in thousands):

	2023	2022
Cash and cash equivalents	$ 30,750	$ 31,098
Restricted cash and cash equivalents, included in assets limited as to use (Note 6)	10,595	10,305
Cash and cash equivalents and restricted cash and cash equivalents as reported in statements of cash flows	$ 41,345	$ 41,403

Assets limited as to use – Assets limited as to use include contributions received that are restricted by the donor to investment in property and equipment or a specific program and funds held by the trustee under debt agreements for payment of debt service and are classified as available for sale. Assets limited as to use that are available for the payment of current liabilities are classified as current assets.

Investments – LAJH records investments in equity securities with readily determinable fair values and all investments in debt securities at fair value. Realized and unrealized gains and losses are included in the consolidated statements of activities as unrestricted unless the income or loss is restricted by donor or California state law (Note 18). Interest income that is restricted by the donor or law is recorded as an increase in net assets with donor restrictions.

Deferred costs – Deferred costs at August 31, 2023 and 2022, include debt issuance costs incurred in connection with the issuance of California Statewide Communities Development Authority (the Authority) Insured Health Facility Revenue Bonds (Los Angeles Jewish Home for the Aging), issued in August 2019, September 2019, and October 2020.

The costs for the financing are being amortized over the terms of the financing agreement using the effective interest rate method. Such costs are presented as a component of long-term debt in accordance with Accounting Standards Codification (ASC) Topic 835. Amortization expense for debt issuance costs is included as a component of interest expense.

Property and equipment – Property and equipment are stated at cost at the date of purchase or fair market value at the date of donation. Expenditures for maintenance and repairs are charged to expense. Improvements and major renewals are capitalized. The cost and related accumulated depreciation of properties sold or otherwise disposed of are removed from the accounts and any gains or losses on disposition are included in operating gains or losses. Interest cost incurred during the period of construction of capital assets is capitalized as a component of the cost of constructing those assets, net of investment income on unspent proceeds of tax-exempt borrowings restricted for use in construction.

Depreciation is computed using the straight-line method over estimated useful lives as follows:

Land improvements	12–30 years
Buildings and improvements	10–40 years
Equipment	2–10 years

Impairment of long-lived assets is recognized whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Measurement of the amount of impairment may be based on market values of similar assets or estimates of future discounted cash flows resulting from use and ultimate disposition of the assets.

Goodwill – Management evaluates goodwill on an annual basis and whenever events and changes in circumstances suggest that the carrying amount may not be recoverable. Goodwill totaling $200,000 at August 31, 2023 and 2022, is included in other assets on the consolidated statements of financial position.

Revenue in excess of (less than) expenses – The consolidated statements of activities include revenue in excess of (less than) expenses. Changes in unrestricted net assets, which are excluded from revenue in excess of (less than) expenses, include net assets released from restriction used for capital expenditures.

Revenue Recognition

In-residence services revenue is comprised of revenue received from LAJH's skilled nursing, residential care, acute, and upscale independent living facilities.

Community based services revenue is earned through LAJH's lines of business serving residents and members of the community. The specific lines of business include hospice, the clinic, and home health, which are part of JHA Geriatrics. They also include the BCSC PACE program, the Annenberg School of Nursing, and the IPA.

In-residence and community-based services revenues are reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

A significant portion of in-residence and community-based services revenue is derived from residents covered under the California Medi-Cal and federal Medicare programs. These programs are highly regulated and are subject to state and federal budgetary and other constraints. Medi-Cal programs represented 65% and 59% of net accounts receivable at August 31, 2023 and 2022, respectively. Medicare programs represented 13% and 22% of net accounts receivable at August 31, 2023 and 2022, respectively. Revenue from these programs represented 74% and 72% of in-residence and community-based services revenue for the years ended August 31, 2023 and 2022, respectively.

LAJH has provided for the difference between established charges for services provided to residents and the estimated amounts realizable under the reimbursement principles of the programs in order to determine net patient service revenue. While LAJH's cash flow could be adversely affected by periodic government program funding delays or shortfalls, management does not believe there is any significant credit risk associated with these government programs.

LAJH is reimbursed by Medicare prospectively according to resident care classifications, with each class assigned a fixed reimbursement rate. In July 2012, the State of California passed the Coordinated Care Initiative. Effective July 2014, the initiative requires that beneficiaries who qualify for both Medicare and Medi-Cal (dual eligible beneficiaries) must enroll in a Medi-Cal managed care plan to receive their Medi-Cal benefits. As of August 31, 2023 and 2022, approximately 84% and 82%, respectively, of LAJH's Medi-Cal residents are dual eligible. LAJH is reimbursed by Medi-Cal and the Medi-Cal managed care plans at a fixed daily rate, which does not vary with the acuity level of the resident. The reimbursement is the same amount for traditional and managed care residents; however, payment time frames are longer for Medi-Cal managed care.

Revenue under third-party payer agreements is subject to audit and retroactive adjustment by third-party payers. Provisions for estimated third-party payer settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued at interim and final settlements are reported in operations in the year of settlement. LAJH's cost reports have been audited by the fiscal intermediary through August 31, 2020.

The composition of in-residence and community-based services revenue by primary payor for the years ended August 31 is as follows:

	August 31, 2023		
	In-Residence	Community-Based Services	Total
Medi-Cal	$ 53,515	$ 23,139	$ 76,654
Medicare	9,032	17,152	26,184
Private	25,113	2,731	27,844
Other third-party payors	8,684	-	8,684
	$ 96,344	$ 43,022	$ 139,366

	August 31, 2022		
	In-Residence	Community-Based Services	Total
Medi-Cal	$ 42,779	$ 20,900	$ 63,679
Medicare	9,283	21,451	30,734
Private	25,268	2,649	27,917
Other third-party payors	7,891	-	7,891
	$ 85,221	$ 45,000	$ 130,221

Accounts receivable at July 1, 2021, was approximately $3,914,000.

Contributions – Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, net of any estimated allowance. Unconditional promises to give that are expected to be received in future years are recorded at the present value of estimated future payments. Conditional promises to give are not recorded until the conditions are met.

LAJH provides many services to its residents that are not reimbursed by government programs or residents. LAJH is able to operate in such a manner because the community at large supports the need and the cost for such services. Therefore, LAJH includes unrestricted contributions received as a component of unrestricted revenue and support.

Contributions are reported as restricted support if they are received with donor stipulations limiting the use of the donated assets. When a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restriction. However, if the restriction is fulfilled in the same time period in which the contribution is received, LAJH reports the support as unrestricted.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Split-interest agreements – LAJH enters into split-interest agreements with donors who make gifts to LAJH and require periodic payments for the remainder of their life. LAJH has recorded amounts receivable and amounts held by LAJH in trust under split-interest agreements of approximately $473,000 and $2,797,000, respectively, at August 31, 2023 and $473,000 and $2,848,000, respectively, at August 31, 2022. The amounts held in trust are included in investments in the consolidated statements of financial position. The rate of return to the donor is stated in the agreement and currently ranges from 4.5% to 9.0% of the fair value of the trust assets at the inception of the trust. LAJH has recorded a liability equal to the present value of the amounts expected to be paid to the donors calculated at a rate applicable to the year in which the agreement is initially recorded. The difference between the assets held in trust and the present value of the annuity obligation is reported as an increase/decrease in net assets with donor restrictions as stipulated by the donor.

Claims payable – BCSC contracts with various providers, including physicians and hospitals, to provide certain health care products and services to enrolled Medi-Cal and Medicare beneficiaries. The cost of the health care products and services provided or contracted for is accrued by means of an estimate of the cost of services that have been incurred but not yet reported (IBNR). The estimate for IBNR is based on projections of hospital and other costs using historical studies of claims paid. Estimates are monitored and reviewed and, as settlements are made or estimates adjusted, differences are reflected in current operations. Such estimates are subject to the impact of changes in the regulatory environment and economic conditions. Approximately $3,400,000 and $4,507,000 of claims payable have been recorded at August 31, 2023 and 2022, respectively, and have been included in accounts payable and accrued expenses on the accompanying consolidated statements of financial position.

Concentrations of credit risk – Financial instruments that potentially subject LAJH to concentrations of credit risk consist primarily of investments and accounts receivable. The investment portfolio is managed within the guidelines established by the Board of Directors, which, as a matter of policy, limit the amounts that may be invested in any one issuer. A significant portion of LAJH's accounts receivable is concentrated in government programs in which LAJH does not believe there is any undue credit risk. LAJH has cash balances in financial institutions that are in excess of FDIC limits. Management monitors the financial condition of these institutions on an ongoing basis and does not believe significant credit risk exists at this time.

Income taxes – With the exception of the IPA, LAJH is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code and is generally not subject to federal or state income taxes. However, LAJH is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the consolidated financial statements taken as a whole. LAJH 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. There were no uncertain tax positions at August 31, 2023 or 2022.

Asset retirement obligation – LAJH accounts for asset retirement obligations (AROs) in accordance with ASC 410 and accrues for cost related to legal obligations to perform certain activities in connection with retirement, disposal, and abandonment of assets. LAJH has identified asbestos abatement as a retirement obligation. Asbestos abatement is estimated based upon historical removal cost per square foot applied to assets identified requiring asbestos abatement.

Obligation to provide future services – LAJH annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents of Fountainview and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services and the use of facilities) with the corresponding charge to income. At August 31, 2023 and 2022, no liability was recorded as the deferred revenue from advance fees exceeds the present value of the net cost of future services and the use of facilities.

Advance fees – The Residence and Care Agreements between LAJH and the residents of Fountainview at Eisenberg Village and Gonda Westside provide for the payment of an advance fee. 80%–90% of the advance fee is refundable to the resident upon re-occupancy of the unit and is recorded as a refundable advance fees liability. 10%–20% of the advance fee is nonrefundable and is amortized to income using the straight-line method over the remaining life expectancy of the resident. The life expectancy of each resident is updated annually, based on annuity tables. The amount is recorded as deferred revenue from advance fees.

Going concern – In connection with the preparation of the consolidated financial statements for the year ended August 31, 2023, management conducted an evaluation as to whether there were conditions and events, considered in the aggregate, which raised substantial doubt as to LAJH's ability to continue as a going concern within one year after the date the consolidated financial statements were issued.

Note 3 – COVID-19 Pandemic

In March 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The related adverse public health developments, including orders to shelter-in-place, travel restrictions, and mandated business closures, have adversely affected workforces, organizations, patients, customers, economies, and financial markets globally, leading to increased market volatility and disruptions in normal business operations, including LAJH's operations.

Starting in March 2020, COVID-19 disrupted move-ins, reducing entrance fees received and resident care fees modestly. LAJH's COVID-19 response also increased costs for supplies, staffing, and precautionary efforts. In May 2020, management re-initiated move-ins with adapted precautionary protocols including new resident testing and initial 14-day isolation.

Management's evaluation of and adaptions to the COVID-19 pandemic and related events are ongoing, including impacts on the economy and general population. LAJH cannot accurately estimate the impact on its operations and financial results, and the duration and intensity of the impact of the COVID-19 pandemic and resulting disruption to LAJH's operations are uncertain.

Provider Relief Funds (PRF) – On March 27, 2021, the United States Congress passed the Coronavirus Aid, Relief, and Economic Securities (CARES) Act. The CARES Act included provisions for health care under the PRF. During the year ended August 31, 2022, LAJH received funds under the PRF, administered by the U.S. Department of Health & Human Services (HHS) of approximately $281,000. LAJH was required to and did timely sign attestations agreeing to the terms and conditions of payment. Those terms and conditions include measures to prevent fraud and misuse. Documentation is required to ensure that these funds are to be used for health care-related expenses or lost revenue attributable to COVID-19, limitations of out-of-pocket payments from certain patients, and the acceptance of several other reporting and compliance requirements. Anti-fraud monitoring and auditing will be performed by HHS and the Office of the Inspector General. LAJH's management is currently determining its ability to comply with these terms and conditions. For the year ended August 31, 2022, LAJH has recognized approximately $281,000 of the PRF on its consolidated statements of operations and changes in net assets as grant income in operating revenue.

LAJH's management has been closely monitoring the impact of COVID-19 on LAJH's operations, including the impact of its patients and employees. The duration and intensity of the pandemic are uncertain but may influence patient decisions, donor decisions, and may also negatively impact collections of LAJH's receivables.

Paycheck Protection Program (PPP) loans – In May 2020, LAJH was granted a loan in the aggregate amount of approximately $9,953,000, pursuant to the PPP, under Division A, Title I of the CARES Act, which was enacted March 27, 2021.

The loan, which was in the form of a Note dated May 1, 2021, matured on May 1, 2022, and bore interest at 1%, payable monthly commencing on January 1, 2022. The Paycheck Protection Program Flexibility Act of 2020 extended the deferral period for payments until July 1, 2022. During October 2021 and April 2022, LAJH received full forgiveness of the loans from the Small Business Administration, including accrued interest of $132,000, resulting in the recognition of approximately $10,085,000 of other income on the consolidated statement of activities for the year ended August 31, 2022.

Grant revenue – The Coronavirus Aid, Relief, and Economic Security (CARES) Act included provisions for the Employee Retention Tax Credit (ERTC). The Home received approximately $4,054,000 from the ERTC. The ERTC is a refundable tax credit for businesses that continued to pay employees while either shut down due to COVID-19 pandemic or had significant declines in gross receipts from March 13, 2020 to December 31, 2021. Management evaluated the terms and conditions related to the ERTC and concluded the Home had met substantially all conditions of eligibility for the ERTC.

Note 4 – Investments

Investments, stated at fair value, consisted of the following at August 31, 2023 and 2022 (in thousands):

	2023	2022
Fixed income securities, U.S. government	$ 219	$ 257
Fixed income securities, U.S. Corporate	5,221	5,130
Domestic marketable equity securities	8,100	7,242
State of Israeli bonds	19	12
	$ 13,559	$ 12,641

Investment income (loss) consisted of the following for the years ended August 31, 2023 and 2022 (in thousands):

	2023	2022
Without donor restriction		
Interest and dividend income	$ 1,191	$ 165
Unrealized gain (loss)	437	(1,136)
With donor restriction		
Interest and dividend income	93	145
External investment expense	(68)	(63)
	$ 1,653	$ (889)

LAJH is required to file an Annual Reserve Report with the Department of Social Services, Continuing Care Contracts Branch in accordance with the requirements of 1790(a)(3) of the California Health & Safety Code. Such requirements include the demonstration that LAJH and Fountainview at Eisenberg Village, and JHA and Gonda Westside, as co-providers, have sufficient liquid reserves to meet the needs of the Fountainview at Eisenberg Village and Gonda Westside continuing care retirement communities by providing a source of funds to fund debt service and to otherwise meet its obligations as they become due in periods of reduced entrance or monthly fee revenue. At August 31, 2023, the amount of qualifying assets available to fund such reserves are approximately $17,665,000 and $17,377,000, respectively. At August 31, 2022, the amount of qualifying assets available to fund such reserves are approximately $17,088,000 and $15,584,000, respectively.

Note 5 – Fair Value Measurement of Financial Instruments

LAJH records its investments in accordance with ASC 820, *Fair Value Measurements and Disclosures*. ASC 820 defines fair value as the amount that would be received upon sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The authoritative guidance establishes a fair value hierarchy which prioritizes the types of inputs to valuation techniques that companies may use to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1). The next highest priority is given to inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2). The lowest priority is given to unobservable inputs in which there is little or no market data available and which require the reporting entity to develop its own assumptions (Level 3).

The carrying amounts of LAJH's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities, approximate fair value because of their generally short maturities. The carrying amount of long-term debt approximates fair value as the interest rates approximate market rates.

All of LAJH's investments accounted for at fair value are considered to be Level 1 with the exception of approximately $19,000 and $12,000 of State of Israel bonds at August 31, 2023 and 2022, respectively. State of Israel bonds are considered to be Level 2 and their carrying amount approximates fair value as of August 31, 2023 and 2022. Estimated fair values for the State of Israel bonds are based on discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer.

Note 6 – Assets Limited as to Use

Assets limited as to use are limited to the following purposes at August 31, 2023 and 2022 (in thousands):

	2023	2022
Held by trustee under indenture agreement for project and debt service funds	$ 8,832	$ 8,544
Contributions received restricted to programs and investment in property and equipment	1,763	1,761
	10,595	10,305
Less: amounts required to pay for current liabilities	(6,160)	(3,581)
	$ 4,435	$ 6,724

At August 31, 2023 and 2022, assets limited to use consisted of cash and cash equivalents.

Note 7 – Contributions Receivable

Included in contributions receivable are the following unconditional promises to give at August 31, 2023 and 2022 (in thousands):

	2023	2022
Unconditional promises to give before unamortized discount and allowance for uncollectibles	$ 19,548	$ 20,697
Less: allowance for uncollectibles	(1,264)	(1,349)
	18,284	19,348
Less: unamortized discount	(877)	(959)
Net unconditional promises to give	17,407	18,389
Less: amounts classified as current	(5,676)	(5,813)
Noncurrent contributions receivable	$ 11,731	$ 12,576
Amounts due in		
Less than one year	$ 5,676	$ 5,813
One to five years	10,942	11,647
Greater than five years	1,666	1,888
	$ 18,284	$ 19,348

Contributions receivable have been discounted at rates ranging from 1.13% to 3.28% for the years ended August 31, 2023 and 2022.

Note 8 – Assets Held in Trust for Residents

Residents can deposit personal-use funds into trust accounts maintained by LAJH. These funds are maintained strictly for use by the residents for their personal expenses, including monthly charges for personal and nursing care at agreed-upon rates. If a resident leaves LAJH, the balance remaining in the fund is returned.

As these funds do not represent assets of LAJH, a corresponding trust account liability, amounting to approximately $537,000 and $507,000 at August 31, 2023 and 2022, respectively, is included in the accompanying consolidated statements of financial position.

Note 9 – Property and Equipment

Property and equipment, net is comprised of the following as of August 31, 2023 and 2022 (in thousands):

	2023	2022
Land and improvements	$ 24,485	$ 24,485
Buildings and improvements	337,103	336,580
Equipment	37,220	36,632
	398,808	397,697
Less: accumulated depreciation	(147,219)	(135,623)
	251,589	262,074
Construction in progress	23,514	17,471
Net property and equipment	$ 275,103	$ 279,545

Note 10 – Deferred Revenue from Advance Fee

A summary of the deferred revenue from advance fees for the years ended August 31 is as follows:

	2023	2022
Balance, beginning of year	$ 11,313	$ 11,339
New fees received	2,415	3,509
Amortization	(1,281)	(3,535)
Balance, end of year	$ 12,447	$ 11,313

Note 11 – Long-Term Debt and Lines of Credit

Long-term debt – Long-term debt is comprised of the following as of August 31, 2023 and 2022 (in thousands):

	2023	2022
California Statewide Communities Development Authority Insured Health Facility Revenue Bonds (Los Angeles Jewish Home for the Aging) Series 2020A (Insured), principal due in varying annual installments ranging from $1,220,000 to $2,185,000 due August 1, 2044, interest due semiannually at fixed rates ranging from 2.05% to 3.70% (3.70% and 2.05% at August 31, 2023 and 2022, respectively).	$ 33,970	$ 35,190
California Statewide Communities Development Authority Insured Health Facility Refunding Revenue Bonds (Los Angeles Jewish Home for the Aging) Series 2019A, principal due in varying annual installments ranging from $750,000 to $990,000 through November 15, 2037, interest due semiannually at fixed rates ranging from 4.00% to 5.00% (5% and 4% at August 31, 2023 and 2022, respectively), including unamortized premium of $1,800,000 and $2,030,000 at August 31, 2023 and 2022, respectively.	13,651	14,595
California Statewide Communities Development Authority Insured Health Facility Refunding Revenue Bonds (Los Angeles Jewish Home for the Aging) Series 2019B, principal due in varying annual installments ranging from $2,910,000 to $4,760,000 through November 15, 2033, interest due semiannually at fixed rates ranging from 4.00% to 5.00% (5% and 4% at August 31, 2023 and 2022, respectively), including unamortized premium of $5,624,000 and $6,567,000 at August 31, 2023 and 2022, respectively.	47,128	50,877
	94,749	100,662
Less: unamortized deferred financing costs, long term	(3,145)	(3,654)
Less: unamortized deferred financing costs, short term	(393)	(313)
Less: current maturities	(6,007)	(5,913)
	$ 85,204	$ 90,782

Principal payments on long-term debt, including mandatory sinking fund payments, and excluding unamortized premiums of approximately $7,424,000 ($1,102,000 of which is included in current portion of long-term debt) as of August 31, 2023, for future fiscal years are as follows (in thousands):

2024	$	4,905
2025		5,080
2026		5,255
2027		5,445
2028		5,630
Thereafter		61,010
	$	87,325

On December 17, 2003, LAJH issued $80,000,000 of fixed-rate Authority Insured Health Facility Revenue Bonds (2003 Bonds). The proceeds of the 2003 Bonds were utilized to (a) refinance the construction of a 96-bed skilled nursing facility, (b) finance the cost of a 10-bed acute psychiatric hospital with a supplemental service of 239 skilled nursing beds, (c) fund debt service costs, (d) fund interest costs, and (e) pay certain costs of issuance of the Bonds. On December 20, 2013, LAJH issued $71,155,000 of fixed-rate Authority Insured Health Facility Refunding Revenue Bonds (2013 Bonds). The proceeds of the 2013 Bonds were utilized to (a) refund the outstanding Series 2003 bonds, (b) fund debt service costs, (c) pay the premium on a contract of insurance for the bonds, and (d) pay certain costs of issuance of the Bonds.

On February 14, 2008, LAJH issued $59,595,000 of fixed-rate Authority Insured Health Facility Revenue Bonds (2008 Bonds). The proceeds of the 2008 Bonds were utilized to (a) finance the cost of a continuing care retirement facility on the Eisenberg campus, (b) fund debt service costs, (c) fund interest costs, and (d) pay certain costs of issuance of the Bonds.

On August 8, 2019, LAJH issued $13,785,000 of fixed-rate Authority Insured Health Facility Revenue Bonds (2019A Bonds) to refinance the 2008 Bonds. The bonds are payable in varying annual installments ranging from $750,000 to $990,000 through November 15, 2037, at fixed rates of 4.00% and 5.00%, payable annually on the 15th day of November.

The 2013 Bond Indenture Agreement created Parity Debt that amended the 2008 Bond Regulatory Agreement. The 2014 Bond Indenture Agreement created Parity Debt that amended the 2013 Bond Regulatory Agreement. Under the terms of the 2014 Agreement, the 2013 Bonds and 2008 Bonds (the “Bonds”) are collectively collateralized by a security interest in certain real property (land) and the buildings, improvements, fixtures, and equipment located, installed, or affixed to the land.

The 2013 Bonds were offered privately and purchased by a publicly traded bank holding company. The Bonds were payable in varying annual installments ranging from $2,700,000 to $5,010,000 through November 15, 2033, at a fixed rate of 3.86%, payable semiannually on the 15th day of each May and November. On September 26, 2019, LAJH issued $49,730,000 of fixed-rate Authority Insured Health Facility Revenue Bonds (2019B Bonds) to refinance the 2013 Bonds. The 2019B Bonds are payable in varying annual installments ranging from $2,910,000 to $4,760,000 through November 15, 2033, at fixed rates of 4% and 5%, payable annually on the 15th day of November.

On October 15, 2021, LAJH issued $37,275,000 of insured taxable fixed-rate Authority Insured Health Facility Revenue Bonds. The 2020A proceeds of the 2020A Bonds were used to pay off the 2014 Bonds. The 2020A Bonds are payable in varying annual installments ranging from $1,220,000 to $2,185,000 through November 15, 2037, at fixed rates of 2.05% and 3.70%, payable annually on the first day of August.

The terms of the Indenture Agreement include certain financial covenants requiring LAJH to maintain net income available for debt service of 1.25 times aggregate debt service, a current ratio of 1.5, and one hundred (100) days cash on hand at August 31, 2023, as defined in the Indenture Agreement. As of August 31, 2023, LAJH was in violation of the current ratio and days cash on hand covenants and received a waiver from the financial institution.

Lines of credit – LAJH has three lines of credit with the same bank. Outstanding balances on the lines of credit were as follows as of August 31, 2023 and 2022 (in thousands):

	2023	2022
$4,750,000 line of credit due August 1, 2026, interest due monthly at 2.50%, or prime less 0.50% (8.00% at August 31, 2023 and 4.50% at August 31, 2022) with a minimum rate of 2.50%, insured by the Cal-Mortgage Loan Insurance Program.	$ 3,133	$ 3,784
$2,400,000 line of credit due March 1, 2024, interest due monthly at prime (7.50% at August 31, 2023 and 5.50% at August 31, 2022), secured by $2,500,000 of money market funds and securities.	2,400	2,400
$2,900,000 line of credit due September 1, 2026, interest due monthly at prime (8.50% at August 31, 2023 and 5.50% at August 31, 2022), secured by eight residential homes.	2,366	2,366
	$ 7,899	$ 8,550

Note 12 – Refundable Advance Fees Payable

Advance fee amounts due to residents who have terminated their contract with Fountainview at Eisenberg Village and Fountainview at Gonda Westside are recorded as refundable advance fees and totaled approximately $20,112,000 and $15,819,000 for the years ended August 31, 2023 and 2022, respectively.

Note 13 – Refundable Advance Fees Liability

The 80%–90% refundable portion of advance fees paid by residents of Fountainview at Eisenberg Village and Fountainview at Gonda Westside is recorded as refundable advance fees liability in the consolidated statements of financial position. At August 31, 2023 and 2022, refundable advance fees liability totaled approximately $180,723,000 and $181,561,000, respectively. Based on the past five years, actual refunds have averaged approximately $13,216,000 per year, funded by advance fees received from new residents.

Note 14 – Commitments and Contingencies

Self-insurance claims liability – LAJH is self-insured for workers' compensation insurance and unemployment insurance. LAJH is covered by a supplemental policy for excess workers' compensation coverage that pays all statutory benefits in excess of a retention limit of $750,000. LAJH is insured for employer's workers' compensation liability in the amount of $50,000,000. Management believes that LAJH has provided adequate reserves at August 31, 2023 and 2022, for its obligations resulting from claims, including losses incurred but not reported.

Amounts accrued, included in accrued compensation and related liabilities in the consolidated statements of financial position, were as follows at August 31, 2023 and 2022 (in thousands):

	2023	2022
Total workers' compensation liability	$ 8,680	$ 8,728
Less: amounts classified as current	(2,079)	(2,127)
Noncurrent workers' compensation liability	$ 6,601	$ 6,601

LAJH participates in the California Self-Insurers' Security Fund Alternative Composite Deposit in order to satisfy security deposit requirements for workers' compensation obligations.

Malpractice insurance – LAJH maintains a claims-based professional malpractice insurance policy limited to $10,000,000 per incident, with a $20,000,000 aggregate limit. Management believes that this coverage is adequate for its operations.

Asset retirement obligations – LAJH has AROs arising from regulatory requirements to perform certain asset retirement activities at the time that certain buildings are disposed of. The liability was initially measured at fair value and subsequently is adjusted for accretion expense and changes in the amount or timing of the estimated cash flows. The corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's useful life. Accretion expense amounted to approximately $13,000 and $36,000 in 2023 and 2022, respectively. At August 31, 2023 and 2022, LAJH's AROs totaled approximately $591,000 and $578,000, respectively.

Note 15 – Leases

As of August 31, 2023, LAJH has four non-cancelable operating leases for rented office spaces. One expired in December 2022 and two expire in September 2023. LAJH also leases commercial space for a future PACE site in West Los Angeles, which expires in June 2032. Quantitative disclosures related to LAJH's operating leases are as follows as of August 31, 2023 and 2022 (in thousands):

	2023	2022
Operating leases right-of-use assets		
Operating lease assets	$ 9,377	$ 9,177
Accumulated amortization	(2,887)	(2,048)
Total	$ 6,490	$ 7,129
Other information		
Cash paid for amounts included in the measurement of lease liabilities – operating cash flows from operating leases	$ 1,097	$ 741
Weighted-average remaining lease term (in years)	8.82	9.55
Weighted-average discount rate	3.34%	3.25%

The following consists of the minimum lease liabilities in future fiscal years as of August 31, 2023 (in thousands):

Fiscal Years Ending,	
2024	$ 1,122
2025	906
2026	902
2027	920
2028	938
Thereafter	3,750
Total	8,538
Less: amount representing interest	1,138
Total operating lease liabilities	7,400
Current portion of operating lease liabilities	722
Operating lease liabilities, net of current portion	$ 6,678

Note 16 – Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of August 31, 2023 and 2022 (in thousands):

	2023	2022
Amounts to be received in future periods, available to fund construction projects or support the operation of LAJH's buildings	$ 27,708	$ 28,406
Investments in perpetuity, including earnings available to support operations in accordance with LAJH's spending policy	13,933	13,929
Amounts to be received in future periods, available to support operations	2,565	2,855
Operation of a licensed vocational nursing school and nursing scholarships for students	632	676
Endowment earnings to be used to support the Skirball Director of Spiritual Life Program	467	467
Special projects for residents	173	148
Pace Program	11	-
Capital improvements	-	521
	$ 45,489	$ 47,002

Note 17 – Endowments

The Board of Directors has interpreted the California Prudent Management of Institutional Funds Act (CPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, LAJH classifies as net assets with donor restrictions (a) the original values of gifts donated to the permanent endowment, (b) the original values of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is also classified in net assets with donor restrictions until those amounts are appropriated for expenditure by LAJH in a manner consistent with the standard of prudence prescribed by CPMIFA.

In accordance with CPMIFA, LAJH considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

a. The duration and preservation of the fund

b. The purposes of LAJH and the donor-restricted endowment fund

c. General economic conditions

d. The possible effect of inflation and deflation

e. The expected total return from income and the appreciation of investments

f. Other resources of LAJH

At August 31, 2023 and 2022, the fair value of the endowments exceeded the original gifts amounts.

Endowment net assets composition by type of fund at August 31, 2023, is as follows (in thousands):

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 14,900	$ 14,900
	$ -	$ 14,900	$ 14,900

Changes in endowment net assets for the fiscal year ended August 31, 2023, are as follows (in thousands):

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$ -	$ 14,896	$ 14,896
Investment returns			
Investment income	-	70	70
Net realized and unrealized losses on investments	-	(3)	(3)
Total investment return	-	67	67
Appropriation of endowment net assets for expenditure	-	(63)	(63)
Endowment net assets, end of year	$ -	$ 14,900	$ 14,900

Endowment net asset composition by type of fund as of August 31, 2022, is as follows (in thousands):

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 14,896	$ 14,896
	$ -	$ 14,896	$ 14,896

Changes in endowment net assets for the fiscal year ended August 31, 2022, are as follows (in thousands):

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$ -	$ 15,278	$ 15,278
Investment returns			
Investment income	-	67	67
Net realized and unrealized losses on investments	-	(386)	(386)
Investment management fees	-	(53)	(53)
Total investment return	-	(372)	(372)
Appropriation of endowment net assets for expenditure	-	(10)	(10)
Endowment net assets, end of year	$ -	$ 14,896	$ 14,896

Note 18 – Employee Retirement Plan

LAJH has a 403(b) retirement accumulation plan in which all employees who have completed 90 days of service and meet certain criteria, as defined, are eligible to participate. The plan provides for employer contributions up to 3% of gross pay after one year of service to the extent permitted by law. Participants are 100% vested in their own and employer contributions at all times. Contributions are invested in flexible premium deferred annuity contracts.

Upon the normal retirement age of 65, participants may elect a lump-sum distribution or an annuity distribution. The annuity distribution options include: a life annuity, which provides payments for the life of the participant; a guaranteed life annuity, which provides for guaranteed payments over 120, 180, or 240 months; a cash refund annuity, which provides monthly payments to the participant, and upon the participant's death, the cash value of the contract is paid to the participants' beneficiary; and the joint and survivor annuity, which provides an annuity for the lifetime of a beneficiary as well as the participant.

LAJH serves as administrator of the plan. Total contributions to the plan were approximately $1,216,000 and $1,196,000 during the years ended August 31, 2023 and 2022, respectively.

Note 19 – Functional Expenses

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

Expenses related to providing these services for 2023 are as follows:

	Program Services	Support Services: General and Administrative	Support Services: Fundraising	Total
Salaries and benefits	$ 87,225	$ 8,328	$ 1,318	$ 96,871
Purchased goods and services	45,569	655	911	47,135
Professional fees	1,835	2,070	240	4,145
Depreciation and amortization	11,597	-	-	11,597
Debt financing costs	3,754	-	-	3,754
Other	5,885	358	89	6,332
	$ 155,865	$ 11,411	$ 2,558	$ 169,834

Expenses related to providing these services for 2022 are as follows:

	Program Services	Support Services: General and Administrative	Support Services: Fundraising	Total
Salaries and benefits	$ 83,825	$ 7,853	$ 1,483	$ 93,161
Purchased goods and services	43,010	1,269	471	44,750
Professional fees	2,152	940	98	3,190
Depreciation and amortization	11,566	-	-	11,566
Debt financing costs	3,383	-	-	3,383
Other	9,093	378	128	9,599
	$ 153,029	$ 10,440	$ 2,180	$ 165,649

Note 20 – Liquidity and Availability

LAJH structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity management, LAJH invests cash in excess of its operating, capital expenditure, and debt service requirements in various investments according to its investment policy.

LAJH's financial assets available to meet general expenditures within one year of August 31, 2023, comprise the following:

Cash and cash equivalents	$ 30,750
Investments	13,559
Accounts receivable, net	13,434
	$ 57,743

Assets limited by donor are available upon completion of specific projects or their intended purposes. Net assets released from restrictions and used for operations were $1,656,000 and $2,689,000 for the years ended August 31, 2023 and 2022, respectively. There were no net assets released from restrictions and used for capital projects for the years ended August 31, 2023 and 2022, respectively.

Assets limited by Trustee under bond indenture required for current liabilities are drawn upon for semi-annual and annual scheduled principal and interest payment on bond issue series $8,544,000. As noted in Note 11, LAJH has $10,050,000 of secured lines of credit which can be drawn upon in the event of a liquidity need. The funds borrowed as of August 31, 2023 and 2022, were $7,899,000 and $8,550,000, respectively.

Note 21 – Subsequent Events

Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before the consolidated financial statements are issued. LAJH recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. As of August 31, 2023, LAJH was in violation of the current ratio and days cash on hand covenants and received a waiver from the financial institution.

Management evaluated subsequent events through January 24, 2024, which is the date the consolidated financial statements were issued and concluded that there were no additional events or transactions that need to be disclosed.

Supplementary Information

Los Angeles Jewish Home for the Aging
Consolidating Schedule – Statement of Financial Position Information (In Thousands)
August 31, 2023

	Los Angeles Jewish Home for the Aging	Fountainview at Eisenberg Village, LLC	Fountainview at Gonda Westside	Brandman Centers for Senior Care	Brandman Health Plan	Other Consolidating Organizations	Eliminations	Total
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	$ 1,255	$ 5,455	$ 11,922	$ 10,046	$ 1,813	$ 259	$ -	$ 30,750
Assets limited as to use, required for payment of current liabilities	6,160	-	-	-	-	-	-	6,160
Accounts receivable, net	18	(16)	90	3,042	-	10,300	-	13,434
Current portion of contributions receivable	5,676	-	-	-	-	-	-	5,676
Prepaid and other current assets	6,249	4,563	26,248	14,720	-	15,994	(65,377)	2,397
Total current assets	19,358	10,002	38,260	27,808	1,813	26,553	(65,377)	58,417
ASSETS LIMITED AS TO USE, net of current portion	4,435	-	-	-	-	-	-	4,435
INVESTMENTS	13,059	-	-	-	-	500	-	13,559
CONTRIBUTIONS RECEIVABLE, net of current portion	11,731	-	-	-	-	-	-	11,731
ASSETS HELD IN TRUST FOR RESIDENTS	-	-	-	-	-	537	-	537
PROPERTY, PLANT, AND EQUIPMENT, net	12,716	138	141,849	8,628	14	111,758	-	275,103
OPERATING LEASE RIGHT-OF-USE ASSETS	190	-	-	6,280	-	20	-	6,490
OTHER ASSETS	823	3	-	-	-	316	-	1,142
Total assets	$ 62,312	$ 10,143	$ 180,109	$ 42,716	$ 1,827	$ 139,684	$ (65,377)	$ 371,414

See accompanying report of independent auditors.

Los Angeles Jewish Home for the Aging
Consolidating Schedule – Statement of Financial Position Information (In Thousands)
August 31, 2023

LIABILITIES AND NET ASSETS (DEFICIT)	Los Angeles Jewish Home for the Aging	Fountainview at Eisenberg Village, LLC	Fountainview at Gonda Westside	Brandman Centers for Senior Care	Brandman Health Plan	Other Consolidating Organizations	Eliminations	Total
CURRENT LIABILITIES								
Accounts payable and accrued expenses	$ 50,348	$ 1,381	$ 1,701	$ 8,264	$ 1,543	$ 16,852	$ (65,377)	$ 14,712
Accrued interest expense	698	327	26	-	-	-	-	1,051
Accrued compensation and related liabilities	3,660	331	626	578	-	5,115	-	10,310
Lines of credit	7,899	-	-	-	-	-	-	7,899
Due to third-party payers	-	-	-	214	-	717	-	931
Refundable advance fees payable	-	4,403	10,697	-	-	-	-	15,100
Current portion of annuity obligations	224	-	-	-	-	-	-	224
Operating lease liability, current portion	55	-	-	646	-	21	-	722
Current portion of long-term debt	6,007	-	-	-	-	-	-	6,007
Total current liabilities	68,891	6,442	13,050	9,702	1,543	22,705	(65,377)	56,956
REFUNDABLE ADVANCE FEES LIABILITY	-	47,280	139,195	-	-	-	-	186,475
DEFERRED REVENUE FROM ADVANCE FEES	-	2,140	10,307	-	-	-	-	12,447
ACCRUED COMPENSATION AND RELATED LIABILITIES, net of current portion	6,979	-	-	-	-	-	-	6,979
ANNUITY OBLIGATIONS, net of current portion	1,368	-	-	-	-	-	-	1,368
ASSET RETIREMENT OBLIGATION	-	-	-	-	-	591	-	591
RESIDENT FUNDS	-	-	-	-	-	537	-	537
OPERATING LEASE LIABILITY, net of current portion	141	-	-	6,537	-	-	-	6,678
LONG-TERM DEBT, net of current portion	85,204	-	-	-	-	-	-	85,204
Total liabilities	162,583	55,862	162,552	16,239	1,543	23,833	(65,377)	357,235
NET ASSETS (DEFICIT)								
Without donor restriction	(145,128)	(45,719)	17,557	26,477	284	115,219	-	(31,310)
With donor restriction	44,857	-	-	-	-	632	-	45,489
Total net assets (deficit)	(100,271)	(45,719)	17,557	26,477	284	115,851	-	14,179
Total liabilities and net assets (deficit)	$ 62,312	$ 10,143	$ 180,109	$ 42,716	$ 1,827	$ 139,684	$ (65,377)	$ 371,414

Los Angeles Jewish Home for the Aging
Consolidating Schedule – Statement of Activities Information (In Thousands)
For the Year Ended August 31, 2023

	Los Angeles Jewish Home for the Aging	Fountainview at Eisenberg Village, LLC	Fountainview at Gonda Westside	Brandman Centers for Senior Care	Brandman Health Plan	Other Consolidating Organizations	Eliminations	Total
REVENUE, GAINS, AND OTHER SUPPORT								
In-residence revenue	$ -	$ 5,771	$ 13,877	$ -	$ -	$ 77,645	$ (949)	$ 96,344
Community based services revenue	-	-	-	35,348	1	9,599	(1,926)	43,022
Amortization of deferred revenue from advanced fees	-	754	3,159	-	-	-	-	3,913
Contributions	20,762	-	-	-	-	163	-	20,925
Investment income, net	911	189	265	275	-	13	-	1,653
Grant revenue	-	-	-	-	-	4,107	-	4,107
Other revenue	5,926	125	493	30	-	1,493	(7,012)	1,055
Change in value of split-interest agreements	117	-	-	-	-	-	-	117
Total revenue, gains, and other support	27,716	6,839	17,794	35,653	1	93,020	(9,887)	171,136
EXPENSES								
Nursing	-	350	2,623	1,626	-	39,615	-	44,214
Plant operations, housekeeping, and laundry	838	1,693	3,868	1,409	-	11,520	(825)	18,503
Dietary	-	2,624	5,377	372	-	11,230	(196)	19,407
Ancillary	-	-	-	-	-	8,319	(1,492)	6,827
Social services	-	169	760	666	-	4,253	-	5,848
Outside medical services	-	-	-	11,126	(5)	1,555	(1,066)	11,610
Medical services	-	-	-	983	-	1,711	-	2,694
Personal care services	-	-	-	3,966	-	-	(144)	3,822
General and administrative	16,716	1,405	2,837	7,394	153	8,732	(6,112)	31,125
Depreciation and amortization	2,283	26	4,107	75	(4)	5,110	-	11,597
Debt financing costs	3,207	463	84	-	-	-	-	3,754
Employee-related insurance	1,246	(883)	273	46	-	1,824	-	2,506
Fundraising	2,559	-	-	-	-	-	-	2,559
Marketing	690	93	264	390	-	176	-	1,613
Insurance and taxes	236	87	655	520	(19)	1,227	-	2,706
Other	(198)	89	-	112	-	1,098	(52)	1,049
Total expenses	27,577	6,116	20,848	28,685	125	96,370	(9,887)	169,834
Revenue in excess of (less than) expenses	139	723	(3,054)	6,968	(124)	(3,350)	-	1,302
FUNDING FROM (TO) RELATED ORGANIZATIONS	1,518	3,430	(2,298)	(40)	191	(2,801)	-	-
Change in net assets (deficit)	1,657	4,153	(5,352)	6,928	67	(6,151)	-	1,302
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	(101,928)	(49,872)	22,909	19,549	217	122,002	-	12,877
NET ASSETS (DEFICIT) AT END OF YEAR	$ (100,271)	$ (45,719)	$ 17,557	$ 26,477	$ 284	$ 115,851	$ -	$ 14,179

See accompanying report of independent auditors.

Los Angeles Jewish Home for the Aging
Consolidating Schedule – Statement of Cash Flows Information (In Thousands)
For the Year Ended August 31, 2023

	Los Angeles Jewish Home for the Aging	Fountainview at Eisenberg Village, LLC	Fountainview at Gonda Westside	Brandman Centers for Senior Care	Brandman Health Plan	Other Consolidating Organizations	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from residents and third-party payers	$ 178	$ 6,585	$ 15,132	$ 33,528	$ 1	$ 83,725	$ (2,875)	$ 136,274
Proceeds from advance fees received	-	5,452	17,862	-	-	-	-	23,314
Other receipts from operations	5,926	125	493	29	-	5,600	(7,012)	5,161
Unrestricted contributions received	21,314	-	-	-	-	163	-	21,477
Unrestricted investment income received	475	189	265	274	-	13	-	1,216
Cash paid to suppliers and employees	(21,407)	(10,287)	(17,839)	(29,679)	710	(85,320)	9,887	(153,935)
Cash paid for interest on long-term debt	(3,988)	(337)	(58)	-	-	(4)	-	(4,387)
Net cash provided by operating activities	2,498	1,727	15,855	4,152	711	4,177	-	29,120
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures	(134)	-	(391)	(4,954)	-	(1,677)	-	(7,156)
Proceeds from sale of investments	-	-	-	-	-	70	-	70
Purchase of trading investments	(551)	-	-	-	-	-	-	(551)
Net cash used in investing activities	(685)	-	(391)	(4,954)	-	(1,607)	-	(7,637)
CASH FLOWS FROM FINANCING ACTIVITIES								
Funding from (to) related organizations	1,518	3,430	(2,298)	(40)	191	(2,801)	-	-
Advances on lines of credit	38,061	-	-	-	-	-	-	38,061
Repayments of lines of credit	(38,712)	-	-	-	-	-	-	(38,712)
Principal payments on long-term debt	(4,740)	-	-	-	-	-	-	(4,740)
Payment of refundable advance fees	-	(7,246)	(9,253)	-	-	-	-	(16,499)
Payment of obligation for Skilled Nursing Facility care and investment income	380	(26)	(5)	-	-	-	-	349
Net cash provided by (used in) financing activities	(3,493)	(3,842)	(11,556)	(40)	191	(2,801)	-	(21,541)
Net increase (decrease) in cash and cash equivalents	(1,680)	(2,115)	3,908	(842)	902	(231)	-	(58)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, beginning of year	13,530	7,570	8,014	10,888	911	490	-	41,403
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, end of year	$ 11,850	$ 5,455	$ 11,922	$ 10,046	$ 1,813	$ 259	$ -	$ 41,345

Los Angeles Jewish Home for the Aging
Consolidating Schedule – Statement of Cash Flows Information (In Thousands)
For the Year Ended August 31, 2023

	Los Angeles Jewish Home for the Aging	Fountainview at Eisenberg Village, LLC	Fountainview at Gonda Westside	Brandman Centers for Senior Care	Brandman Health Plan	Other Consolidating Organizations	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Change in net assets	$ 139	$ 723	$ (3,054)	$ 6,968	$ (124)	$ (3,350)	$ -	$ 1,302
Adjustments to reconcile change in net assets to net cash provided by operating activities								
Advance refundable fees received	-	4,545	11,188	-	-	-	-	15,733
Advance non-refundable fees received	-	209	2,205	-	-	-	-	2,414
Depreciation and amortization	2,283	26	4,107	75	(4)	5,110	-	11,597
Accretion of asset retirement obligation	13	-	-	-	-	-	-	13
Amortization of bond issuance costs	429	-	-	-	-	-	-	429
Amortization of deferred revenue from advance fees	-	(754)	(3,159)	-	-	-	-	(3,913)
Amortization of bond premium	(1,173)	-	-	-	-	-	-	(1,173)
Net realized and unrealized gains on investments	(437)	-	-	-	-	-	-	(437)
(Increase) decrease in operating assets								
Accounts receivable	(18)	4	5,742	(1,217)	-	(3,363)	-	1,148
Prepaid and other current assets	(4,854)	(1,755)	(1,034)	(2,281)	-	(3,792)	14,643	927
Contributions receivable	602	-	-	-	-	-	-	602
Other assets	(29)	1	-	-	-	-	-	(28)
Operating lease right-of-use assets	(190)	-	-	594	-	235	-	639
Increase (decrease) in operating liabilities								
Accounts payable, accrued expenses, and accrued compensation	5,742	(1,399)	(140)	616	839	9,497	(14,643)	512
Accrued interest expense	(38)	127	-	-	-	(4)	-	85
Due to third-party payers	-	-	-	5	-	95	-	100
Operating lease liabilities	196	-	-	(608)	-	(251)	-	(663)
Annuity obligations	(167)	-	-	-	-	-	-	(167)
Net cash provided by operating activities	$ 2,498	$ 1,727	$ 15,855	$ 4,152	$ 711	$ 4,177	$ -	$ 29,120

Report of Independent Auditors and
Continuing Care Liquid Reserve Schedules

Fountainview at Eisenberg Village, LLC

August 31, 2023

MOSSADAMS

Table of Contents

Report of Independent Auditors

To the Members of the Board of Directors
Los Angeles Jewish Home for the Aging

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fountainview at Eisenberg Village, LLC, which comprise the continuing care liquid reserve schedules, Form 5-1 through Form 5-5, as of and for the year ended August 31, 2023.

In our opinion, the financial statements referred to above present fairly, in all material respects, the continuing care reserves of Fountainview at Eisenberg Village, LLC as of and for the year ended August 31, 2023, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fountainview at Eisenberg Village, LLC 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.

Basis of Accounting

We draw attention to the basis of accounting used to prepare the financial statements. The financial statements are prepared by Fountainview at Eisenberg Village, LLC 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 the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fountainview at Eisenberg Village, LLC'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 Fountainview at Eisenberg Village, LLC'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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements, as a whole. The accompanying Supplementary Schedules to 5-1, Reconciliation of Principal and Interest Paid; 5-3, Reconciliation of Rental Payments; and 5-5, Reconciliation of Qualifying Assets of Debt Service Reserves, 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 the financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management of Fountainview at Eisenberg Village, LLC 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.

Other Information

Management is responsible for the other information included in the California Department of Social Services Annual Report (the "annual report"). The other information comprises Forms 1-1, 1-2, and 7-1, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Moss Adams LLP

Los Angeles, California
January 24, 2024

Continuing Care Liquid Reserve Schedules

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	08/08/19	$715,000	$555,500		$1,270,500
2	09/26/19	$2,805,000	$1,893,550		$4,698,550
3	10/15/20	$1,220,000	$1,053,112		$2,273,112
4					$0
5					$0
6					$0
7					$0
8					$0
		TOTAL:	$3,502,162	$0	$8,242,162

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

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

PROVIDER: FOUNTAINVIEW AT EISENBERG VILLAGE LLC

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

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

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

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

PROVIDER: FOUNTAINVIEW AT EISENBERG VILLAGE LLC

Fountainview at Eisenberg Village, LLC
Form 5-3, Calculation of Long-Term Debt Reserve Amount
For the Year Ended August 31, 2023

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

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	$8,242,162
2	Total from Form 5-2 bottom of Column (e)	$0
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	$490,568
4	**TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:**	$8,732,730

PROVIDER: FOUNTAINVIEW AT EISENBERG VILLAGE LLC

Fountainview at Eisenberg Village, LLC
Form 5-4, Calculation of Net Operating Expenses
For the Year Ended August 31, 2023

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line			Amounts	TOTAL
1		Total operating expenses from financial statements		$6,115,613
2		Deductions:		
	a.	Interest paid on long-term debt (see instructions)	$0	
	b.	Credit enhancement premiums paid for long-term debt (see instructions)	$0	
	c.	Depreciation	$25,997	
	d.	Amortization	$0	
	e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	$0	
	f.	Extraordinary expenses approved by the Department	$0	
3		Total Deductions		$25,997
4		Net Operating Expenses		$6,089,616
5		Divide Line 4 by 365 and enter the result.		$16,684
6		**Multiply Line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$1,251,291

PROVIDER: FOUNTAINVIEW AT EISENBERG VILLAGE LLC
COMMUNITY: FOUNTAINVIEW AT EISENBERG VILLAGE LLC

FORM 5-5
ANNUAL RESERVE CERTIFICATION

Provider Name: FOUNTAINVIEW AT EISENBERG VILLAGE LLC
Fiscal Year Ended: 8/31/2022

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 31-Aug-23 and are in compliance with those requirements.

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

		Amount
[1]	Debt Service Reserve Amount	$8,732,730
[2]	Operating Expense Reserve Amount	$1,251,291
[3]	**Total Liquid Reserve Amount:**	$9,984,021

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
[4]	Cash and Cash Equivalents			$5,454,898
[5]	Investment Securities			
[6]	Equity Securities			
[7]	Unused/Available Lines of Credit			
[8]	Unused/Available Letters of Credit			
[9]	Debt Service Reserve	$8,832,463		(not applicable)
[10]	Other: (describe qualifying asset)			
	Total Amount of Qualifying Assets Listed for Reserve Obligation: [11]	$8,832,463	[12]	$5,454,898
	Reserve Obligation Amount: [13]	$8,732,730	[14]	$1,251,291
	Surplus/(Deficiency): [15]	$99,733	[16]	$4,203,607

Signature:

(Authorized Representative)

Controller
(Title)

Date: 1/29/2024

Note 1 – General

Los Angeles Jewish Home for the Aging (LAJH) and Fountainview at Eisenberg Village, LLC ("Fountainview") are co-providers of the Fountainview continuing care retirement community, which opened in February 2010. The information included in this Annual Reserve Report has been supplied for the co-providers, with the exception of Form 5-4 calculation of net operating expenses, which is based on the financial results of Fountainview.

Supplementary Information

Fountainview at Eisenberg Village, LLC
Attachment I to Form 5-1, Reconciliation of Principal and Interest Paid
State of California – Department of Social Services
For the Year Ended August 31, 2023 (In Thousands)

	Los Angeles Jewish Home for the Aging	Fountainview at Gonda Westside	Total Co-Providers
PRINCIPAL PAID DURING FISCAL YEAR			
Principal paid during fiscal year per consolidating statement of cash flows	$ 4,740	$ -	$ 4,740
Total principal paid during fiscal year for long-term debt included on Form 5-1	$ 4,740	$ -	$ 4,740
INTEREST PAID DURING FISCAL YEAR			
Cash paid for interest per consolidating statement of cash flows net of amounts capitalized	$ 4,387	$ -	$ 4,387
Less interest paid on other debt	(885)	-	(885)
Cash paid for interest during fiscal year related to long-term debt included on Form 5-1	$ 3,502	$ -	$ 3,502

Fountainview at Eisenberg Village, LLC
Attachment II to Form 5-3, Reconciliation of Rental Payments
State of California – Department of Social Services
For the Year Ended August 31, 2023 (In Thousands)

	Fountainview at Gonda Westside
GENERAL AND ADMINISTRATIVE EXPENSE	
Rental payments	$ 491
Other	914
Total general and administrative expense per consolidating statement of activities	$ 1,405

Fountainview at Eisenberg Village, LLC
Attachment III to Form 5-5, Reconciliation of Qualifying Assets for Debt Service Reserve
State of California – Department of Social Services
For the Year Ended August 31, 2023 (In Thousands)

	Los Angeles Jewish Home for the Aging
QUALIFYING ASSETS FOR DEBT SERVICE RESERVE	
Assets limited as to use per consolidating statement of financial position	$ 10,595
Less funds restricted by donor for programs and investment in property and equipment	(1,763)
Total qualifying assets for debt service reserve included on Form 5-5	$ 8,832

FOUNTAINVIEW AT GONDA WESTSIDE
SUPPLEMENTARY FORM 5-5 DESCRIPTION OF RESERVES
AND PER CAPITA COST OF OPERATIONS

RESERVES

Financial Statements		Amount	Qualifying Asset Description (Form 5-5)
Cash and Cash Equivalents	$	5,454,898	Cash and Cash Equivalents
Assets Limited to Current Use		6,159,991	
Assets Limited to Use -non current		4,435,280	
		10,595,271	
Less: Non-bond related		(1,762,808)	
		8,832,463	Debt Service Reserve

(All Assets Limited to Use are comprised of bond investments)

PER CAPITA COST OF OPERATIONS

Per Capital Annual Cost of Operations (excluding depreciation)	$	58,851

CONTINUING CARE RETIREMENT COMMUNITY DISCLOSURE STATEMENT

Date Prepared:

Facility Name: Fountainview at Eisenberg Village

Address: 6440 Wilbur Ave	Zip Code: 91335	Phone 818-654-5531

Provider Name:

Fountainview at Eisenberg Village

Facility Operator: Eisenberg Village of the Los Angeles Jewish Health

Religious Affiliation: Jewish

Year Opened: 2010 # of Acres: Miles to Shopping Center: .50 Miles to Hospital: 2.62

☐ Single Story ☑ Multi-Story ☐ Other:

Number of Units: 108

Residential Living	**Number of Units**	**Health Care**	**Number of Units**
Apartments – Studio:	0	Assisted Living:	
Apartments – 1 Bdrm:	43	Skilled Nursing:	
Apartments – 2 Bdrm:	65	Special Care:	
Cottages/Houses:	0	Description:	

RLU Occupancy (%) at Year End: 81%

Type of Ownership: ☑ Not for Profit ☐ For Profit

Accredited? ☐ Yes By: ☐ No

Form of Contact: (Check all that apply) ☑ Continuing Care ☐ Life Care ☑ Entrance Fee ☐ Fee for Service ☐ Assignment of Assets ☐ Equity ☐ Membership ☐ Rental

Refund Provisions: (Check all that apply) ☑ Refundable ☑ 90% ☐ 50% ☐ Repayable ☐ 75% ☑ Other: 80%

Range of Entrance Fees: $471,000 - $1,012,000

Long-Term Care Insurance Required? ☐ Yes ☑ No

Health Care Benefits Included in Contract: 10 days of nursing care per year at no cost

Entry Requirements: Min Age: 60 Prior Profession: Other:

Resident Representative(s) to, and Resident Members on, the Board:
(briefly describe provider's compliance and residents' roles):

Included in the Board is Albert Wilen, resident and voting member.

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
Beauty/Barber Shop	☑	☑
Billiard Room	☐	☐
Bowling Green	☐	☐
Card Rooms	☑	☐
Chapel	☐	☐
Coffee Shop	☑	☐
Craft Rooms	☑	☐
Exercise Room	☑	☐
Golf Course Access	☐	☐
Library	☐	☐
Putting Green	☐	☐
Shuffleboard	☐	☐
Spa	☑	☑
Swimming Pool – Indoor	☑	☐
Swimming Pool – Outdoor	☐	☐
Tennis Court	☐	☐
Workshop	☐	☐
Other: Art room	☑	☐

Services Available	Included in Fee	For Extra Charge
Housekeeping (4 Times/ Month at $_______each)	☑	☐
Meals (1 /Day)	☑	☐
Special Diets Available	☐	☑
24-Hour Emergency Response	☑	☐
Activities Program	☑	☐
All Utilities Except Phone	☑	☐
Apartment Maintenance	☑	☐
Cable TV	☑	☐
Linens Furnished	☐	☑
Linens Laundered	☑	☐
Medication Management	☐	☑
Nursing/Wellness Clinic	☑	☐
Personal Home Care	☐	☐
Transportation – Personal	☐	☑
Transportation – Prearranged	☑	☐
Other: ______________	☐	☐

Provider Name: Fountainview at Eisenberg Village

Affiliated CCRCs	Location (city, state)	Phone (with area code)
Fountainview at Gonda Westside	Playa Vista, CA	424-216-7788

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

Free-Standing Skilled Nursing	Location (city, state)	Phone (with area code)
Eisenberg Village of the Los Ang	Reseda, CA	818-774-3000
Grancell Village of the Los Ang	Reseda, CA	818-774-3000

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

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

Provider Name: Fountainview at Eisenberg Village

Income and Expenses [Year]	2020	2021	2022	2023
Income from Ongoing Operations **Operating Income** (Excluding amortization of entrance fee income)	23,336,590	21,316,986	21,444,719	33,801,935
Less Operating Expenses (Excluding depreciation, amortization, and interest)	27,662,434	26,041,918	30,607,134	31,384,052
Net Income From Operations	(4,325,844)	(4,724,932)	(9,162,415)	2,417,883
Less Interest Expense	9,595,121	5,934,084	4,449,711	3,636,376
Plus Contributions				
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)				
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization	(13,920,965)	(10,659,016)	(13,612,126)	(1,218,493)
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)	1,010,057	(824,058)	(126,705	(1,049,078)

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)*

Financial Ratios [Year]	**CCAC Medians 50th Percentile** *(optional)*	2021	2022	2023
Debt to Asset Ratio		1.37	1.35	1.26
Operating Ratio		1.22	1.43	0.93
Debt Service Coverage Ratio		(0.67)	(1.13)	.17
Days Cash On Hand Ratio		135	129	101

Provider Name: Fountainview at Eisenberg Village

Historical Monthly Service Fees *(Average Fee and Change Percentage)*

Residence/Service [Year]	2020	%	2021	%	2022	%	2023	%
Studio								
One Bedroom	3,933	5%	4,130	5%	4,345	5%	5,000	5%
Two 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.

FORM 7-1

REPORT ON CCRC MONTHLY CARE FEES

	RESIDENTIAL LIVING	ASSISTED LIVING	SKILLED NURSING
[1] Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)	$4,013 - $7,694		
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	6%		

☐ Check here if monthly care fees at this community were <u>not</u> 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: 10/1/2022
(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:** 8/1/2022 **Method of Notice:** Letter

■ 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:** 7/21/2022

■ At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.

■ The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases. **Date of Notice:** 7/1/2022

■ The governing body of the provider, or the designated representative of the provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting. **Date of Posting:** 7/12/2022 **Location of Posting:** Front Desk

[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 **<u>PART 7 REPORT ON CCRC MONTHLY CARE FEE</u>** in the **Annual Report Instruction** booklet for further instructions.

PROVIDER: Fountainview at Eisenberg Village and Los Angeles Jewish Home for the Aging
COMMUNITY: Fountainview at Eisenberg Village

Fountainview at Eisenberg Village

Form 7-1 Attachment

Monthly Care Fee Increase

FORM 7-1 MONTHLY CARE FEE INCREASE (MCFI)

ANNUAL REPORTING FISCAL YEAR (F/Y) 2023

Dollar Amounts in Thousands

Line	Fiscal Years	2021	2022	2023
1	FY 2021 Operating Expenses1	(6,471)		
2	FY 2022 Operating Expenses2 (Adjustments if any, Explained Below)		(6,792)	
3	Projected FY 2023 Results of Operations (Adjustments3 Explained Below)			(6,893)
4	FY 2023 Anticipated MCF Revenue2 Based on Current and Projected Occupancy and Other4 without a MCFI			6,716
5	Projected FY 2023 (Net) Operating Results2 without a MCFI (Line 3 plus Line 4)			(177)
6	Projected FY 2023 Anticipated Revenue Based on Current and Projected Occupancy and Other4 with MCFI 6%			7,009
7	Grand Total - Projected FY 2023 Net Operating Activity After 5% MCFI (Line 3 plus Line 6)			115

Monthly Care Fee Increase: 6%

Adjustments Explained:

1 Enter to the total operating expenses from the independent audit of the Statement of Operations

2 Internal Accounting and Budget Records does not include entrance fees

3 “Adjustments” can include but not limited to reserves

4 “Other” can include but not limited to Contributions and Ancillary

FOUNTAINVIEW AT EISENBERG VILLAGE
FORM 7-1 - Increase in Monthly Fees Supplement

Rate increases are based on the projected operating performance for the upcoming fiscal year as determined by the budget process with the goal of cover operating expenses and also contributing to the related debt service. All debt related to the building the facility is recorded at the corporate entity.

The budget process is a six month process that begins in March and uses the actual first six months of the year annualized as a baseline. Adjustments are then made for any expected increases based on input from vendors, industry news, historical trends, planned changes in operations, and key economic indicators.

We assumed wages would increase approximately 3% due to annual rate increases. Supplies, maintenance, housekeeping, activities and other expense increased 5%-7% based on input from our suppliers, experience and changes in planned operations.

Total expenses for fiscal year 2022 and 2021 were $6,543,654 and $6,470,738 respectively.

The increase of 6% in monthly service fees were implemented to help the facility cover its expenses and contribute to debt service.

KEY INDICATORS REPORT

FOUNTAINVIEW AT EISENBERG VILLAGE

Chief Financial Officer Signature

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

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Projected 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Preferred Trend Indicator
OPERATIONAL STATISTICS											
1. Average Annual Occupancy by Site (%)	99%	98%	94%	86%	81%	83%	90%	96%	98%	99%	N/A
0.00%											
MARGIN (PROFITABILITY) INDICATORS											
2. Net Operating Margin (%)	-14.32%	-9.38%	-7.26%	-16.45%	-1.81%	-18.99%	-19.06%	-17.75%	-16.43%	-14.92%	↑
3. Net Operating Margin - Adjusted (%)	16.51%	55.78%	-31.50%	-0.15%	-23.62%	-0.05%	-0.06%	0.64%	1.24%	2.32%	↓
LIQUIDITY INDICATORS											
4. Unrestricted Cash and Investments ($000)	$11,693	$8,737	$7,177	$7,570	$5,455	$8,200	$8,300	$8,350	$8,500	$8,550	↑
5. Days Cash on Hand (Unrestricted)	613	463	407	424	332	397	387	374	367	355	↑
CAPITAL STRUCTURE INDICATORS											
6. Deferred Revenue from Entrance Fees ($000)	$1,925	$1,534	$1,970	$1,875	$2,140	$2,150	$2,300	$2,400	$2,600	$2,850	N/A
7. Net Annual Entrance Fee proceeds ($000)	$2,248	$1,198	-$1,106	-$127	-$1,040	$1,200	$1,250	$1,280	$1,300	$1,350	N/A
8. Unrestricted Net Assets ($000)	-$43,769	-$44,405	-$47,765	-$49,872	-$45,721	-$46,925	-$48,180	-$49,407	-$50,601	-$51,742	N/A
9. Annual Capital Asset Expenditure ($000)	$1,234	$57	$28	$19	$0	$95	$100	$105	$120	$110	N/A
10. Annual Debt Service Coverage Revenue Basis (x)											↑
11. Annual Debt Service Coverage (x)											↑
12. Annual Debt Service/Revenue (%)											↓
13. Average Annual Effective Interest Rate (%)											↓
14. Unrestricted Cash & Investments/ Long-Term Debt (%)											↑
15. Average Age of Facility (years)	14	15	16	17	18	19	20	21	22	23	↓